

Jiangling Motors Corporation, Ltd.



2022 Annual Report

2023-03

Chapter I Important Notes, Contents and Abbreviations

Important Note

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 any false statement, misrepresentation or major omission.

Chairman Qiu Tiangao, CFO Joey Zhu and Chief of Finance Department, Ding Ni, confirm that the Financial Statements in this Annual Report are truthful and complete.

All Directors were present at the Board meeting to review this Annual Report.

Future plans, development strategies and other forward-looking statements in this report do not constitute a substantial commitment of the Company to investors. Investors are advised to pay attention to investment risks.

The Company's possible risks and countermeasures are described in Section 3 of this report, "Management Discussion and Analysis". Please investors to pay attention to the relevant content.

The Annual Report is prepared in Chinese and English. In case of discrepancy, the Chinese version will prevail.

The year 2022 profit distribution proposal approved by the Board of Directors is as follows:

A cash dividend of RMB 4.24 (including tax) will be distributed for every 10 shares held based on the total share capital of 863,214,000 shares, and there is no stock dividend. The Board decided not to convert capital reserve to share capital this time.

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Catalog on Documents for Reference

1. Originals of 2022 financial statements signed by legal representative, Chief Financial Officer and Chief of Finance Department.
2. Originals of the Independent Auditor's Reports signed by Independent accountants and stamped by the accounting firm.
3. Originals of all the documents and public announcements disclosed in newspapers designated by CSRC in 2022.
4. The Annual Report in the China GAAP.

Abbreviations:

CSRC	China Securities Regulatory Commission
JMCG	Jiangling Motors Group Co., Ltd.
Ford	Ford Motor Company
JIC	Nanchang Jiangling Investment Co., Ltd.
JMC or the Company	Jiangling Motors Corporation, Ltd.
JMCH	JMC Heavy Duty Vehicle Co., Ltd.
EVP	Executive Vice President
CFO	Chief Financial Officer
VP	Vice President

Chapter II Brief Introduction and Operating Highlight

1. Company's Information

Share's name	Jiangling Motors, Jiangling B	Share's Code	000550, 200550
Place of listing	Shenzhen Stock Exchange		
Company's Chinese name	江铃汽车股份有限公司		
English name	Jiangling Motors Corporation, Ltd.		
Abbreviation	JMC		
Company legal representative	Qiu Tiangao		
Registered Address	No. 2111, Yingbin Middle Avenue, Nanchang County, Nanchang City, Jiangxi Province, P.R.C		
Postal Code of Registered Address	330200		
Changes of Registered Address	Due to the relocation of JMC's Qingyunpu site, the original registered address " No. 509, Northern Yingbin Avenue, Nanchang City, Jiangxi Province" was changed to "No.2111, Yingbin Middle Avenue, Nanchang County, Nanchang City, Jiangxi Province" in October 2021.		
Headquarters Address	No. 2111, Yingbin Middle Avenue, Nanchang County, Nanchang City, Jiangxi Province, P.R.C		
Postal Code of Headquarters Address	330200		
Website	http://www.jmc.com.cn		
E-mail	relations@jmc.com.cn		

2. Contact Person and Method

	Board Secretary	Securities Affairs Representative
Name	Xu Lanfeng	Quan Shi
Address	No. 2111, Yingbin Middle Avenue, Nanchang County, Nanchang City, Jiangxi Province, P.R.C	No. 2111, Yingbin Middle Avenue, Nanchang County, Nanchang City, Jiangxi Province, P.R.C
Tel	86-791-85266178	86-791-85266178
Fax	86-791-85232839	86-791-85232839
E-mail	relations@jmc.com.cn	relations@jmc.com.cn

3. Information Disclosure and Place for Achieving Annual Report

Stock Exchange Website for Publication of JMC's Annual Report	http://www.szse.cn
Newspapers and Website for	China Securities, Securities Times, Hong Kong

Publication of JMC's Annual Report	Commercial Daily, cninfo (http://www.cninfo.com.cn)
Place for Achieving Annual Report	Securities Department, Jiangling Motors Corporation, Ltd.

4. Changes of Registration

Unified social credit code	913600006124469438
Changes in the Main Business since the Listing	No change.
Changes of Controlling Shareholders	<p>On December 1, 1993, JMC A shares were listed on Shenzhen Stock Exchange, while JMCG, the founder-member, was the controlling shareholder of the Company. On September 29, 1995 and November 12, 1998, JMC issued additional 344 million B shares totally, while, after the additional B share issuance, JMCG and Ford were the controlling shareholders of the Company. On December 8, 2005, the 354.176 million JMC shares held by JMCG, the former controlling shareholder, were transferred to Jiangling Motor Holdings Co., Ltd. After the transference, Jiangling Motor Holdings Co., Ltd. and Ford were the controlling shareholders of the Company.</p> <p>In 2019, Jiangling Motor Holdings Co., Ltd., the former controlling shareholder, was divided and separated into Jangling Motor Holdings Co., Ltd. and Nanchang Jiangling Investment Co., Ltd., and transferred the 354.176 million JMC shares it held to Nanchang Jiangling Investment Co., Ltd. Presently, Nanchang Jiangling Investment Co., Ltd. and Ford are the controlling shareholders of the Company.</p>

5. Other Information

Accounting Firm Appointed by JMC for Audit

Name	PricewaterhouseCoopers Zhong Tian LLP ('PwC Zhong Tian')
Headquarters Address	11/F, PricewaterhouseCoopers Center Link Square 2, 202 Hu Bin Road, Huangpu District, Shanghai 200021, PRC
Names of Signed Accountants	Ye Jun, Xiao Minjie

The recommendation agency engaged by the Company executing the persistent supervision responsibilities in the reporting period

Applicable Not Applicable

The financial consultant engaged by the Company performing the duties of persistent supervision and guidance in the reporting period

Applicable Not Applicable

6. Main accounting data and financial ratios

Unit: RMB

	2022	2021	Change (%)	2020
Revenue	30,100,283,842	35,221,306,472	-14.54%	33,095,733,665
Profit Attributable to the Equity Holders of the Company	915,049,168	574,165,944	59.37%	550,698,958
Net Profit Attributable to Shareholders of Listed Company After Deducting Non-Recurring Profit or Loss	-229,667,660	29,628,811	-875.15%	405,188,533
Net Cash Generated From Operating Activities	-1,518,573,952	1,760,193,010	-186.27%	3,698,342,828
Basic Earnings Per Share (RMB)	1.06	0.67	59.37%	0.64
Diluted Earnings Per Share (RMB)	1.06	0.67	59.37%	0.64
Weighted Average Return on Equity Ratio	10.28%	5.87%	4.41%	5.13%
	End of Year 2022	End of Year 2021	Change (%)	End of Year 2020
Total Assets	27,468,321,835	26,359,084,120	4.21%	28,185,185,418
Shareholders' Equity Attributable to the Equity Holders of the Company	9,243,817,333	8,555,444,589	8.05%	10,986,474,009

The lower of the Company's net profit before and after deduction of non-recurring gains and losses in the most recent three fiscal years is negative, and the audit report of the most recent year shows that the Company's ability to continue operations is uncertain

Yes No

The lower of the net profit before and after non-recurring gains and losses is negative

Yes No

Units: RMB

Item	2022	2021	remark
Revenue	30,100,283,842	35,221,306,472	
Amount Deducted from	507,757,923	691,258,152	JMC main business includes the sales of automobile and spare parts and automobile

Revenue			maintenance services, the sales of materials, revenue from technical service and other business activities other than the main business activities shall be deducted.
Amount after Deduction from Revenue	29,592,525,919	34,530,048,320	

7. Accounting data difference between China GAAP and IFRS

I. Differences in net profit and net assets in financial statements between in accordance with international accounting standards and Chinese accounting standards

Applicable Not Applicable

II. Differences in net profit and net assets in financial statements between in accordance with overseas accounting standards and Chinese accounting standards

Applicable Not Applicable

III. Reasons for the difference in accounting data under domestic and foreign accounting standards

Applicable Not Applicable

8. Main accounting data quarterly

Unit: RMB

	Q1	Q2	Q3	Q4
Revenue	7,232,030,037	6,990,729,347	7,808,857,974	8,068,666,484
Profit Attributable to the Equity Holders of the Company	193,977,828	258,403,194	264,803,793	197,864,353
Net Profit Attributable to Shareholders of Listed Company After Deducting Non-Recurring Profit or Loss	-27,656,476	-80,778,100	39,085,652	-160,318,736
Net Cash Generated From Operating Activities	-2,691,345,433	-640,201,042	1,108,616,335	704,356,188

Whether the above mentioned financial indicators or the total number are significantly different from the financial indicators related to the disclosed quarterly and half-year reports of the Company

Yes No

9. Non-recurring profit and loss items and amounts

Applicable Not Applicable

Unit: RMB

	2022	2021	2020
Profit and loss of non-current assets disposal (including the charge-off part of the asset impairment provision)	389,251,475	5,107,814	-167,780,780
Government subsidies included in the current profit and loss	943,326,556	552,831,370	277,756,664
Capital occupation fee charged for non-financial enterprises included in the current profit and loss	13,827,410	15,836,668	7,628,722
In addition to the effective hedging business related to the normal operating business of the Company, holding the gains and losses of fair value changes arising from trading financial assets and trading financial liabilities, as well as the investment income obtained from the disposal of trading financial assets, trading financial liabilities and available for sale financial assets	1,424,039	-16,082,076	76,150,461
Return of the impairment provision for receivables with a separate impairment test	110,068	2,250,000	6,540,000
Other non-operating income and expenses except the above	1,423,948	2,027,076	5,869,080
Other profit and loss items that meet the definition of non-recurring profit and loss	-	18,765,020	-10,493,560
Gains on disposal of long-term equity investments	-	52,133,307	-
Less: Income tax impact amount	204,283,363	88,332,046	50,160,162
Influence of minority shareholders' equity	363,305	-	-
Total	1,144,716,828	544,537,133	145,510,425

Details of other profit and loss items that meet the definition of non-recurring profit and loss

Applicable Not Applicable

There is no any other profit and loss items that meet the definition of non-recurring profit and loss in the Company.

The description of that the non-recurring profit and loss items listed in Corporate Information Disclosure of Public Issuing Securities No.1 are defined as recurring profit and loss items

Applicable Not Applicable

The Company does not have a situation in which the non-recurring profit and loss items listed in No.1 of Corporate Information Disclosure Announcement No.1 are defined as recurring profit and loss.

Chapter III

Management Discussion and Analysis

1. The industry situation of the Company during the reporting period

In 2022, the production and sales volume of automobiles were 27,021 thousand and 26,864 thousand respectively, with year-on-year growth of 3.4% and 2.1%, achieving slight growth for the whole year. Driven by policies to stabilize growth and promote consumption, passenger vehicles grew rapidly, contributing an important part to the year's modest growth. Commercial vehicles are operating at the low level of overlaid factors. New energy vehicles continued explosive growth, with annual sales exceeding 6.8 million units and the market share increasing to 25.6%. New energy vehicles gradually entered the full market expansion period, ushering in a new stage of development and growth. Automobile export continues to maintain a high level, repeatedly hitting a monthly record high. Since August, the monthly average export volume has exceeded 300,000 units, and the annual export volume has surpassed 3 million units, effectively driving the overall growth of the industry. The performance of Chinese brands is outstanding, grasping the transformation opportunities of new energy and intelligent network, and improving product competitiveness. The market share of passenger vehicles is close to 50%, which is a new high in recent years.

The production and sales volume of passenger vehicles were 23,836 thousand and 23,563 thousand respectively, with YOY growth of 11.2% and 9.5%, which is higher than the industry average. Among the main varieties of passenger vehicles, compared with the same period last year, the production and sales of basic passenger vehicles (sedans) and sport-utility vehicles (SUVs) showed rapid growth and continued to occupy the dominant position. The other two models witnessed different degrees of decline.

The production and sales of commercial vehicles were 3,185 thousand and 3,300 thousand, respectively, down 31.9% and 31.2% year-on-year, showing double-digit declines. Among the main varieties of commercial vehicles, compared with the same period last year, the production and sales of buses and trucks decreased rapidly. Among the main truck models, compared with the same period last year, the production and sales of the four categories of trucks all showed a double-digit decline, among which the decline of heavy trucks and medium trucks was more obvious; Among the main varieties of buses, compared with the same period last year, the production and sales of large buses achieved a small growth, but medium-sized buses and light bus dropped significantly.

Due to the lack of overseas supply and the substantial enhancement of export competitiveness of Chinese automobile enterprises, the export exceeded 3 million units to reach 3,111 thousand units, up 54.4% year on year, effectively driving the overall growth of the industry. The export of passenger vehicles was 2,529 thousand, up 56.7% year on year. Commercial vehicle export reached 582 thousand units, with YOY increase of 44.9%. The export of new energy vehicles reached 679 thousand units, witnessing 1.2 times growth year on year. Since

2021, the total annual volume of China's automobile export exceeded 2 million for the first time, breaking the situation of hovering around 1 million before, and realized the leap-forward breakthrough. The production and sales of new energy vehicles reached 7,058 thousand and 6,887 thousand respectively, with a year-on-year growth of 96.9% and 93.4%, and the market share of 25.6%. Among the main varieties of new energy vehicles, compared with the same period last year, the production and sales of BEV, PHEV and fuel cell vehicles continued to maintain rapid growth.

2. Company's Core Business during the Reporting Period

During the reporting period, the Company's main business is the production and sale of commercial vehicles, SUVs and related components. The main products include JMC light truck, Pickup, light bus, Yusheng SUV, Ford-branded light bus, MPV and other commercial vehicles and SUV products. JMC also produces engines, castings and other components. The Company takes high quality development as the main line, focuses on value, lean operation, and transforms from scale expansion development to lean value growth.

In 2022, JMC continued to expand the technical reservation and investment in new products, smart connectivity, new energy and light weight, etc. Based on vehicle, JMC developed autonomous driving and smart connectivity functions and achieved more function expansion through the third space with vehicle as the carrier. At the same time, JMC strengthens the construction of digitalization operation capability, thus entering such key value fields as network socialization and financial payment, etc., forming massive ecological circle and presenting excellent overall performance in the industry.

In 2022, JMC planned the productivity of 320,000 units and the utilization rate was 88%.

Vehicle manufacturing and operation

Applicable Not Applicable

Production and Sales Volume Information

	Production Volume (Unit)			Sales Volume (Unit)		
	2022 FY	2021 FY	YOY change (%)	2022 FY	2021 FY	YOY change (%)
By Products						
Light Bus	79,805	100,168	-20.33%	77,237	101,516	-23.92%
Truck	62,825	118,117	-46.81%	64,727	118,105	-45.20%
Pickup	63,496	68,268	-6.99%	62,872	67,906	-7.41%
SUV	75,468	53,096	42.14%	77,172	53,481	44.30%
Total	281,594	339,649	-17.09%	282,008	341,008	-17.30%
By Region						
China	281,594	339,649	-17.09%	282,008	341,008	-17.30%

Reasons for the year-on-year change of more than 30%

√Applicable Not Applicable

The 45.20% year-on-year decline in truck sales was mainly due to a decline in the industry.

The 44.30% year-on-year increase in SUV sales was mainly due to the increase in overseas sales.

Component Kit System Construction

JMC owns in-house R&D and manufacturing capability for key components, with such important components as engine, body parts, frame, wheel and front axle, etc. developed and manufactured independently. For some other key components, JMC keeps strategic cooperation with industry leading suppliers, e.g. Bosch, Garrett, Yunnei Power, and ZF. JMC has established strategic cooperation with such leading enterprises as CATL and Suzhou Inovance on new energy development. For smart connectivity, JMC conducted diversified cooperation with such giants as Tencent, Hengrun, IFLYTEK and Desay SV, etc. for ecology development. With the vision of achieving customer success, JMC cooperates with suppliers to create a customer-centered vehicle experience and strives to build a sustainable agile supply system. Through innovative thinking and digitalization, JMC has established a complete supplier access, capability improvement and supplier control mechanism from the perspectives of technology, quality, cost, delivery and service, thus effectively promoting the competitiveness of the supply system.

Production and operation of auto parts during the reporting period

Applicable √Not Applicable

The Company carries out auto finance business

Applicable √Not Applicable

The Company carries out new energy vehicle related business

√Applicable Not Applicable

Production and operation of new energy vehicles and parts

Product Category	Capacity (Unit)	Production Volume (Unit)	Sales Volume (Unit)	Revenue (RMB)
New Energy Bus Series	5,000	1,552	1,411	173,075,069
New Energy Passenger Vehicles and Pickup	35,000	366	363	67,068,224
New Energy Truck	20,000	1,647	1,655	233,591,090
Total	60,000 Note: all new energy vehicles are collinear with corresponding fuel vehicles.	3,565	3,429	473,734,383

New energy vehicle Subsidy

In 2022, JMC received a subsidy of RMB 104,510 thousand for new energy vehicles.

3. Core Competitiveness Analysis

The Company is a modern Sino-foreign joint venture that integrates automobile research and development, manufacturing and sales. It is a pioneer in the Chinese auto industry that provides excellent products and solutions for the intelligent logistics field by relying on the market leadership and advanced technology of light commercial vehicles. It is also a provider of Ford value SUVs. It owns the titles of National High-tech Enterprise, National Innovation Pilot Enterprise, National Enterprise Technology Center, National Industrial Design Center, National Intellectual Property Demonstration Enterprise, and National Vehicle Export Base. It has been ranked among the top 100 most valuable automobile brands in the world for many consecutive years. In terms of segment, JMC light bus's market share ranked No.1, Pickup's market share ranked No.2 and light truck's market share ranked No.5.

As the top light bus brand in China, JMC has always been customer-oriented and launched the light bus portfolio, including new Transit + new-generation Transit Pro and Teshun + Fushun, which occupies an important position in logistics, passenger transport, household, refit and other fields. The latest JMC Fushun on the market, with joint venture quality, super space, super power, rear drive advantage and friendly price, has become a hot selling model of logistic vehicle.

JMC light truck adheres to the business and service concept of "customer-centered", constantly improves product competitiveness, and effectively responds to the new policy of blue license plate, with customer experience improved and sales channels optimized. The newly launched "Kaiyun +", a new-generation light truck model, has comprehensive upgrade in exterior, interior, power, safety and fuel economy, etc. Nine models have been available according to the customer demands, they are engineering model, fruit and vegetable model, building materials model, mountain model, supermarket model, seafood model, moving model, express model and cold chain model.

JMC Pickup, as a leading brand in the market, adheres to the customer-centered design concept in product research and development. JMC launched Yuhu 7 SVO product to meet customer demands for the appearance, interior and comfort of medium and high-end Pickup. Baodian product line launched low platform and flat bottom box models to satisfy the use habits of different industry customers on the rear bucket. At the same time, through "JFX Yuhu life family" activities to transmit diversified Pickup life concept and to continuously promote Chinese Pickup culture, the sense of social responsibility of Pickup industry leading brand has been displayed.

4. Core Business Analysis

I. Summary

In 2022, under the economic downward pressure, high raw material prices, lack of core and power restriction, and poor logistics, etc., have a significant impact on the automobile terminal consumption market, with weak market performance and weak growth. In the whole year, the vehicle sales in China reached 26.86 million, up 2.1% year on year, including 23.56 million passenger vehicles; growth of 9.5% year on year; commercial vehicles sold 3.3 million units, down 31.2% year on year.

During the reporting period, in order to respond to the intensified competition, stricter homologation requirement and cost increase, JMC has been dedicated in improving the product quality, promoting new product development, controlling operation cost and enhancing production efficiency. At the same time, JMC launched a series of marketing proposals to actively cope with market risks. In 2022, JMC achieved sales volume of 282,008 units, including 77,237 light buses, 64,727 trucks, 62,872 Pickups and 77,172 SUVs, with YOY decrease of 17.30%. In 2022, the total production volume was 281,594 units, including 79,805 light buses, 62,825 trucks, 63,496 Pickups and 75,468 SUVs, with YOY decrease of 17.09%.

In 2022, the operation revenue reached RMB 30.1 billion, down 14.54% year on year. The operation cost was RMB 25,812 million, down 14.29% year on year. The marketing expense was RMB1,445 million, with YOY decrease of 5.67%. The administration expense was RMB 965 million, down 16.27% year over year. R&D cost was RMB 1,483 million, down 13.21% year on year. The financial expense was RMB -164 million, up by 44.58% year over year.

II. Revenue and Cost

(a) Composition of Sales Revenue

Unit: RMB

	2022 FY		2021 FY		YOY change (%)
	Amount	Proportion (%)	Amount	Proportion (%)	
Revenue	30,100,283,842	100%	35,221,306,472	100%	-14.54%
By Industry					
Automobile Industry	30,100,283,842	100%	35,221,306,472	100%	-14.54%
By Products					
Vehicle	27,069,207,538	89.93%	32,317,182,099	91.75%	-16.24%
Components	2,412,993,540	8.02%	2,101,505,690	5.97%	14.82%
Automobile Maintenance Services	110,324,841	0.37%	111,360,531	0.32%	-0.93%

Material & Others	507,757,923	1.68%	691,258,152	1.96%	-26.55%
By Region					
China	30,100,283,842	100%	35,221,306,472	100%	-14.54%
Sales model					
Distribution	28,995,566,644	96.33%	33,828,173,736	96.04%	-14.29%
Direct selling	1,104,717,198	3.67%	1,393,132,736	3.96%	-20.70%

Number of dealers: at present, there are more than 400 first-level dealers, and the total number of dealers is more than 1,000.

(b) Reach to 10% of Revenue or Profit by Industry, Product, Region or Sales Model

Applicable Not Applicable

Unit: RMB

	Turnover	Cost	Gross Margin	YOY turnover change (%)	YOY Cost Change (%)	YOY gross margin change (points)
By Industry						
Automobile Industry	30,100,283,842	25,812,264,868	14.25%	-14.54%	-14.29%	-0.24%
By Products						
Vehicle	27,069,207,538	23,355,537,374	13.72%	-16.24%	-16.02%	-0.23%
By Region						
China	30,100,283,842	25,812,264,868	14.25%	-14.54%	-14.29%	-0.24%

If the Company's core business scope is adjusted during the reporting period, the Company's core business data of last year need to be adjusted per the scope in this year

Applicable Not Applicable

(c) Whether the Company's Goods Revenue Higher Than Service Revenue

Yes No

Industry	Item	Unit	2022	2021	Change (%)
Automobile	Sales Volume	unit	282,008	341,008	-17.30%
	Production Volume	unit	281,594	339,649	-17.09%
	Inventory Volume	unit	9,113	10,188	-10.55%

Explanation on YOY change of over 30%

Applicable Not Applicable

(d) Execution of the Company's Signed Major Sales Contracts and Major Purchase Contracts as of the Reporting Period

Applicable Not Applicable

(e) Composition of Operating Cost

Product categories

Unit: RMB

Product	Item	2022 FY		2021 FY		YOY Change (%)
		Cost	Proportion (%)	Cost	Proportion (%)	
Vehicle	Cost	23,355,537,374	90.48%	27,809,982,305	92.34%	-16.02%
Components	Cost	1,872,040,360	7.25%	1,557,352,106	5.17%	20.21%
Automobile Maintenance Services	Cost	109,409,795	0.42%	118,486,239	0.39%	-7.66%
Material & Others	Cost	475,277,339	1.85%	631,633,717	2.10%	-24.75%

(f) Whether the Consolidated Scope was Changed During the Reporting Period

Yes No

(g) Major Change or Adjustment on Business, Products or Services During the Reporting Period

Applicable Not Applicable

(h) Main Customers and Suppliers

Main Customers

Total sales value to top 5 customers (RMB)	8,458,719,170
Accounted for the proportion of JMC's total annual turnover	28.10%
Included related party transaction accounted for the proportion of JMC's total annual turnover	21.19%

Top 5 Customers

No.	Name of the Customer	Sales Value (RMB)	Percentage of JMC's Total Turnover (%)
1	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	5,907,094,789	19.62%
2	Chengli Special Automobile Co., Ltd.	823,303,887	2.74%
3	Beijing Jinglingshun Auto Sales Company	661,151,507	2.20%
4	Zhejiang Jiangling Motors Sales Company	594,285,016	1.97%
5	Jiangxi JMCG Specialty Vehicles Sales Service Co., Ltd.	472,883,971	1.57%
Total		8,458,719,170	28.10%

Other introduction to main customers

Applicable Not Applicable

Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. and Jiangxi JMCG Specialty Vehicles Sales Service Co., Ltd. are related parties of the Company.

Main Suppliers:

Total purchase value from top 5 suppliers (RMB)	4,170,325,071
Accounted for the proportion of JMC's total annual purchase amount	18.26%
Included related party transaction accounted for the proportion of JMC's total annual purchase amount	14.62%

Top 5 Suppliers:

No.	Name of the Supplier	Purchase Value (RMB)	Percentage of JMC's Total Annual Purchase Amount (%)
1	Nanchang Jianglin Huaxiang Automobile Parts Co., Ltd.	924,968,624	4.05%
2	Magna PT Powertrain (Jiangxi) Co., Ltd.	893,746,762	3.91%
3	Nanchang Baojiang Steel Processing Distribution Co., Ltd.	853,482,030	3.74%
4	Bosch Auto Diesel System (Wuxi) Company	830,381,102	3.64%
5	Jiangxi Jiangling Chassis Co., Ltd.	667,746,553	2.92%
Total		4,170,325,071	18.26%

Other introduction to main suppliers

Applicable Not Applicable

Nanchang Jianglin Huaxiang Automobile Parts Co., Ltd., Magna PT Powertrain (Jiangxi) Co., Ltd., Nanchang Baojiang Steel Processing Distribution Co., Ltd., and Jiangxi Jiangling Chassis Co., Ltd. are related parties of the Company.

III. Expense

Unit: RMB

	2022	2021	YOY Change	Description of significant Changes
Distribution Expenses	1,444,894,711	1,531,808,043	-5.67%	
Administrative Expenses	964,786,345	1,152,218,590	-16.27%	
Finance Income-net	-163,907,346	-295,755,557	44.58%	Mainly due to the decreased interest income from bank deposits and the

				increased interest expense
R & D Expenses	1,483,329,630	1,709,014,171	-13.21%	

IV. Research & Development

Name of main R&D project	Project purpose	Project progress	Goals to be achieved	The expected impact on the Company's future development
PV product hybrid power and BEV project	Enhance the competitiveness of Jiangling Ford passenger vehicle products, and meet the requirements of future passenger vehicle fuel consumption regulations and double points policy	It is under development and will begin production in 2024-2025.	Increase the Company's operating revenue.	
Light bus product replacement project	Enhance the dual brand competitiveness of the Company's light bus products, and maintain the first position of light bus in the Chinese market.	The self-owned brand replacement products have been launched in 2022, and the Fordbrand replacement products will be launched in the second half of this year.	Increase the Company's operating revenue.	
Light truck product replacement project	Enhance the competitiveness of the Company's light truck products.	The conventional vehicle had been launched in 2022, and the electric platform products will be launched this year.	Increase the Company's operating revenue.	
Pickup product replacement project	Enhance the competitiveness of the Company's pickup products.	It is under development, and the replacement of all Pickup products will be implemented in 2023-2025.	Increase the Company's operating revenue.	

Company R & D personnel

	2022	2021	Change(%)
R&D staff (person)	2,350	2,315	1.51%
R&D staff as % of total employees	19.05%	17.90%	1.15%
Educational structure of R&D personnel			
Undergraduate	1,651	1,609	2.60%
Master	554	559	-0.90%
Age composition of R&D personnel			
Under the age of 30	533	602	-11.50%
30 ~ 40 years old	1,481	1,382	7.20%

R&D Investment

	2022	2021	Change(%)
R&D investment (RMB)	2,018,500,532	1,886,139,707	7.02%
R&D investment as % of revenue	6.71%	5.36%	1.35%
Capitalization of R&D investment	535,170,902	177,125,536	202.14%
Capitalization of R&D investment as % of R&D investment	26.51%	9.39%	17.12%

Causes and impacts of major changes in the composition of R&D personnel

Applicable Not Applicable

Reason for the substantial change of R&D investment as % of revenue

Applicable Not Applicable

Reason and rationality of the substantial change in the capitalization rate of R & D investment

Applicable Not Applicable

The change was due to an increase in the amount of R&D investment eligible for capitalization in this year.

Please refer to the Note 2 (14) (e) research and development, and Note 4 (17) Intangible assets/Development expenditures of the notes to the consolidated financial statements in the Chapter X Financial Statements for details.

V. Cash Flow Analysis

Unit: RMB

Item	2022	2021	Change (%)
Sub-total of cash inflows	31,614,927,049	39,740,902,264	-20.45%
Sub-total of cash outflows	33,133,501,001	37,980,709,254	-12.76%
Net cash flows generated from operating activities	-1,518,573,952	1,760,193,010	-186.27%
Sub-total of cash inflows	1,407,222,333	2,915,954,321	-51.74%
Sub-total of cash outflows	1,496,365,812	2,994,592,220	-50.03%
Net cash flows generated used in investing activities	-89,143,479	-78,637,899	13.36%
Sub-total of cash inflows	4,731,667,661	1,484,497,639	218.74%
Sub-total of cash outflows	4,149,807,890	4,718,956,565	-12.06%
Net cash flows generated from financing activities	581,859,771	-3,234,458,926	117.99%
Net decrease in cash and cash equivalents	-1,025,857,660	-1,552,903,815	-33.94%

Explanation on the major factors regarding major change of related data

Applicable Not Applicable

Year on year decrease of the Net cash flows generated from operating activities

was due to the reduced cash received for goods sold as a result of lower sales revenue.

Year on year increase of the net cash flows generated from financing activities was mainly due to the increase in borrowing this year and the dividend payment of RMB 3 billion in 2021.

Year on year decrease of the net decrease in cash and cash equivalents was mainly attributable to the increase in net cash flows generated from financing activities.

Explanation on significant difference between net cash generated from operating activities and net profit during the reporting period.

√Applicable Not Applicable

Please refer to the Note 4 (57) supplementary information to the cash flow statement of the notes to the consolidated financial statements in the Chapter X Financial Statements for details.

5. Non- core business analysis

Applicable √Not Applicable

6. Analysis of Assets and Liabilities

I. Major changes

Unit: RMB

Asset item	End of 2022		Beginning of 2022		YOY
	Amount	Proportion	Amount	Proportion	Proportion change (Points)
Cash and cash equivalents	8,604,977,725	31.33%	9,569,051,314	36.30%	-4.97%
Accounts receivables	4,245,541,752	15.46%	2,994,798,227	11.36%	4.10%
Inventories	2,129,040,820	7.75%	1,974,728,632	7.49%	0.26%
Long-term equity investments	248,482,822	0.90%	257,251,255	0.98%	-0.08%
Fixed assets	5,446,384,369	19.83%	6,029,302,031	22.87%	-3.04%
Construction in progress	718,612,190	2.62%	448,338,672	1.70%	0.92%
Right-of-use assets	233,622,890	0.85%	306,225,810	1.16%	-0.31%
Short-term borrowings	1,100,000,000	4.00%	300,000,000	1.14%	2.86%
Contract liabilities	152,065,025	0.55%	272,274,177	1.03%	-0.48%

Long-term borrowings	20,858,057	0.08%	2,087,537	0.01%	0.07%
Lease liabilities	193,090,351	0.70%	263,409,414	1.00%	-0.30%

Foreign assets account for a relatively high proportion

Applicable Not Applicable

II. The fair value of the assets and liabilities.

Unit: RMB

Item	financial assets	1.Trading financial assets (excluding derivative financial assets)	2.Receivables financing	Subtotal	Financial liabilities
Beginning of the period		100,242,329	201,511,670	301,753,999	0
Loss/profit in fair value in the period		-242,329	0	-242,329	0
Cumulative changes in fair value recorded into equity		0	0	0	0
Impairment in the period		0	0	0	0
Purchase in the period		100,000,000	3,664,369,012	3,764,369,012	0
Sell in the period		200,000,000	3,489,217,865	3,689,217,865	0
Other changes		0	0	0	0
End of the period		0	376,662,817	376,662,817	0

Other change

None.

Whether there is a significant change in the measurement attributes of the Company's main assets during the reporting period

Applicable Not Applicable

III. Restriction on Assets Rights as of the End of the Reporting Period

There was no restriction on rights of major assets as of the end of the reporting period.

7. Investment Analysis

I. Summary

Applicable Not Applicable

II. Obtained Major Equity Investment during the Reporting Period

Applicable Not Applicable

III. Ongoing Major Non-Equity Investment during the Reporting Period

Applicable Not Applicable

IV. Financial Assets Investment

(a) Stock Investment

Applicable Not Applicable

There was no financial assets investment on the reporting period.

(b) Derivative Investment

Applicable Not Applicable

There was no derivative investment on the reporting period.

V. Usage of Raised Fund

Applicable Not Applicable

There was no usage of raised fund on the reporting period.

8. Sales of Major Assets and Equity

I. Sale of Major Assets

Applicable Not Applicable

Counterparty	Nanchang Land Reserve Center
Sold assets	The land and above-ground buildings in the Qingyunpu site
Date of sale	June 28, 2022
Transaction price (RMB thousand)	759,208.3
Net profit contributed by the Assets to the listed company from the beginning of the current period to the selling date (RMB thousand)	335,000.1
Impact of the sale on the Company	A positive impact on the Company's profits in 2022.
Proportion of net profit contributed by assets sale to the total net profit of the listed company	36.61%
Assets sale pricing principle	Evaluation Price
Whether it is a related party transaction	No
Association with the counterparty	No relationship
Whether all the assets involved have been transferred	Yes
Whether the claims and debts involved have been completely transferred	Not applicable
Whether the plan is implemented as	Yes

scheduled, if not, the reason and the measures taken by the company	
Date of disclosure	June 30, 2022
Index	The announcement (No. 2022-023) was published on the website: www.cninfo.com.cn.

II. Sales of Major Equity

Applicable Not Applicable

Counterparty	Volvo Lastvagnar Aktiebolag
Sold equity	100% equity of JMC Heavy Duty Vehicle Co., Ltd., a wholly owned subsidiary of JMC
Date of sale	The deal is still in progress.
Transaction price (RMB thousand)	781,400
Net profit contributed by the equity to the listed company from the beginning of the current period to the selling date	RMB -95,303.30 thousand in 2022.
Impact of the sale on the Company	One of the measures to achieve the Company's strategic vision.
Proportion of net profit contributed by equity sale to the total net profit of the listed company	The deal is still in progress.
Equity sale pricing principle	Public bidding process.
Whether it is a related party transaction	No.
Association with the counterparty	No relationship.
Whether all the equity involved has been transferred	No.
Whether the plan is implemented as scheduled, if not, the reason and the measures taken by the company	Yes.
Date of disclosure	August 24, 2021
Index	The announcement (No. 2021-047) was published on the website: www.cninfo.com.cn

9. Analysis of major shareholding companies

Applicable Not Applicable

Operating Results of Main Subsidiaries and Joint-Stock Companies whose impact on JMC's net profit more than 10%

Unit: RMB'000

Name of companies	Jiangling Motors Sales Corporation, Ltd	JMC Heavy Duty Vehicle Co., Ltd.	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.
Type of	Subsidiary	Subsidiary	Holding subsidiary

companies			
Main business	Sales of vehicles and service parts.	Production and sales of automobiles, engines and other automotive parts	Engineering and technology research and experimental development, sales of vehicles, new energy vehicles, auto parts, etc.
Registered capital	50,000.00	1,323,793.20	200,000.00
Assets	5,227,963.90	732,988.60	443,233.90
Net assets	343,011.30	696,739.60	-6,470.50
Turnover	23,237,876.50	325.20	124,029.60
Operating profit	109,559.00	-96,000.50	-141,873.10
Net profit	84,544.20	-95,303.30	-106,470.50

Acquisition and disposal of the subsidiaries

Applicable Not Applicable

Description of the main holding and participating companies

None.

10. Structured Entities Controlled by JMC

Applicable Not Applicable

11. Outlook

I. Industry Development

In 2023, China will continue to adhere to the general tone of seeking progress while maintaining stability and vigorously boost market confidence, with the strategy of expanding domestic demand implemented. China will also actively promote the overall improvement of economic performance, so as to achieve effective improvement in quality and reasonable growth in quantity. We believe that with the implementation of relevant supporting policies and measures, we will further stimulate the vitality of market players and consumers. We are fully confident that the economy will improve throughout the year. In addition, the chip shortage and other problems are expected to be greatly alleviated in this year, it is expected that the automobile market will continue to show a stable development trend in 2023, with growth of about 3%.

Overall market: the sales volume in the whole year is 27.6 million units with YOY growth of 3%. The policy of stabilizing growth will help stabilize the growth of automobiles and other commodities.

Commercial vehicle market: the sales volume in the whole year is 3.8 million units. The emission homologation has been switched. Overloading and over-limit management has been carried out on a regular basis, environmental restrictions on production have been increased, and the commercial vehicle market has become more rational.

Passenger vehicle market: the sales volume in the whole year is 23.8 million units. Re-stocking is expected to drive sales growth.

New energy vehicle market: the sales volume in the whole year is 9 million units with YOY growth of 35%. Both high supply and demand shall continue the prosperity of new energy vehicles.

II. Company Strategy

The Company adheres to the vision of “becoming leader in light commercial vehicle and provider of Ford value products” and the values of “integrity, dedication, innovation, collaboration”. Commercial vehicles are positioned as integrated urban and arterial logistics product and service providers to meet customer needs by providing customized products and integrated services to create a new business concept of “lifelong partner”. Passenger vehicles make breakthroughs and great development in small and medium-sized markets, and create extreme customer experience by providing differentiated products that meet customer needs. In the future, JMC will take high-quality development as the main line, and focus on value with lean operation. The Company will transfer from the scale expansion model of development to lean value growth model. At the same time, JMC will focus on the core business, and be dedicated in the in-depth cultivation of segmentation, with customers as the center, enhancing the whole value chain market awareness, thus actively making the Company’s products into leaders in the market. The Company will also aim at the new trend of the automobile industry, and promote the implementation of the “new four modernization” development strategy of “electrification, intelligent connectivity, sharing, and autonomous driving”. JMC will plan in such core fields as new energy vehicle, intelligent connectivity and autonomous driving, etc. Through the overall coordination and integration of the four modernization, the Company will accelerate the construction of future-oriented business ecosystem with global competitiveness.

III. Business Plan

In 2023, the Company plans to achieve the sales volume of 316 thousand units and the operation revenue of about RMB 31.6 billion, up 12% and 5% respectively compared with 2022. In order to further improve the management quality, the Company will devote itself to the following aspects in 2023:、

(1) Continue to consolidate and improve the Company's leading advantages in the field of light commercial vehicles, improve channel capabilities, and promote brand upgrading and renewal;

- (2) Accelerate the expansion of passenger vehicle business, strengthen customer experience, enhance the competitiveness of distributors, develop innovative marketing modes, and create the brand image of off-road outdoor lifestyle;
- (3) Accelerate the establishment and promotion of new energy brands, accelerate the landing of transport capacity operation, promote online, direct sales, private marketing and other diversified marketing methods, and improve the penetration rate of new energy products;
- (4) Strengthen overseas market insight and new product promotion, and cooperate with various resources to expand overseas market;
- (5) Always insist on taking customers as the center, deeply understand the market changes and customer needs, continue to innovate, and cooperate in an efficient way to provide customers with quality products and services;
- (6) Solidly promote research and development of new products, manufacture and launch such products with high quality as brand-new Yuhu, new-generation light bus, high-end Ford Pickup, new-generation light trucks and various new energy models, to improve product competitiveness;
- (7) Continue to promote digital transformation, and use digital marketing tools to expand channel capabilities and improve customer experience;
- (8) Continue to promote cost reduction, efficiency improvement and lean management, build an efficient and agile organization, and lay a solid foundation for the Company's overall strategic development.

IV. Potential Risks and Solutions

In 2023, geopolitical conflicts will continue, the risk of world economic contraction will intensify, and the global economy will face enormous downward pressure. China's economy is expected to pick up on the whole under the general principle of “ensuring stability and pursuing progress while maintaining stability”. However, affected by the international environment and the implementation of domestic policies, the speed of economic recovery is uncertain. Under the background of the implementation of the two-carbon policy and the acceleration of the transformation of the New Four Modernizations, the competition pattern of the automobile industry is becoming increasingly fierce. Meanwhile, the price of raw materials is still high, which brings great challenges to the Company's operation. In order to maintain steady growth, the Company will focus on the following aspects:

- (1) Be customer-oriented, make in-depth insight into customer needs and market environment changes, explore new business growth points, and seize the

opportunity in the disruptive industry changes;

- (2) Continue to accelerate the development and launch of new energy products, vigorously expand online marketing and transport capacity operation mode based on the original dealer channels, and become the best partner of urban green transport capacity;
- (3) Break through key overseas strategic markets, adopt dual-brand + dual-channel strategy, and enhance overseas business scale;
- (4) Carefully organize and prepare for the launch of new products, continuously improve the brand influence and ensure there is volume just after launch;
- (5) Accelerate the digital transformation of the Company, break the data isolation, realize online products, processes, customers and employees, enhance customer experience and improve operation efficiency;
- (6) Continue to promote cost reduction, cost control and efficiency improvement, and strengthen the management and control of operating cash flow to improve the quality of operation;
- (7) Strengthen corporate governance, strictly abide by national laws and regulations, and improve risk assessment and control mechanisms.

The Company will focus on light commercial vehicles with SUVs as the support, further promote scientific and technological innovation and industrial transformation, stabilize the leading position of light commercial vehicles, and improve the sales of passenger vehicles. JMC is to strengthen market development, promote brand renewal, and continue to consolidate the core competitiveness of light commercial vehicles. Channel construction and brand transformation of passenger vehicles will be accelerated to improve market awareness and customer experience. We will accelerate the development of new energy vehicles, vigorously expand overseas export business, strengthen the existing market, and seek incremental markets. The Company shall expand new business and profit model, and build an ecological platform for future sustainable development. At the same time it will also focus on the process control and marketing planning of new programs, so as to achieve the quality, cost and volume targets. JMC is to accelerate the digital transformation, implement quality and efficiency improvement actions, improve profitability and create sufficient cash flow to support high-quality development of the Company.

12. External Research, Communication, and Media Interview to the Company

Applicable Not Applicable

Date	Communication Method	Type of Object	Information Discussed and Materials offered
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April 15, 2022	Other	Individual Investors	JMC Operating highlights
May 27, 2022	Other	Individual Investors	JMC Operating highlights
September 9, 2022	Telephone communication	Investment institution	JMC Operating highlights
September 23 2022	Telephone communication	Investment institution	JMC Operating highlights

Chapter IV Corporate Governance Structure

1. Status of the Corporate Governance in JMC

During the reporting period, the Company strictly abided by the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies in China, the Rules Governing Listing of Stock on Shenzhen Stock Exchange, as well as relevant laws and regulations, to carry out corporate governance activities and continued to improve its corporate governance.

Whether there are significant differences between the actual situation of corporate governance in the company and the laws, administrative regulations and that of regulations on corporate governance of listed companies promulgated by CSRC

Yes No

There is no significant difference between the actual situation of corporate governance in JMC and the laws, administrative regulations and that of regulations on corporate governance of listed companies promulgated by CSRC.

2. Separation between JMC and the Controlling Shareholders and actual controller in respect of Personnel, Assets and Finance, and Independence concerning Organization and Business:

(1) With respect to personnel matters, the positions of chairman and president are held by different individuals; JMC's senior management do not hold positions other than director positions with its controlling shareholders; JMC senior management personnel are paid by JMC; labor, personnel matters and compensation management of JMC are completely independent.

(2) With respect to assets, JMC assets are complete. The assets utilized by JMC, including production system, supporting production system and peripheral facilities, and non-patent technology, are owned and/or controlled by JMC.

(3) With respect to finance, JMC has an independent finance department and independent accounting system, and has a uniform and independent accounting system and financial control system for its branches and subsidiaries. JMC has its own bank accounts, and there are no bank accounts jointly owned by JMC and its controlling shareholders. JMC pays taxes independently in accordance with relevant laws.

(4) With respect to organization, JMC's organization is independent, complete and scientifically established with a sound and efficient operating mechanism. The establishment and the operation of JMC's corporate governance are strictly carried out per the Articles of Association of JMC. Production and administrative management are independent from the controlling shareholders. JMC has established an organization structure that meets the need for ongoing development.

(5) With respect to business, JMC has independent purchasing, production and sales systems. The purchasing, production and sales of main materials and products are carried out through its own purchasing, production & sales functions. JMC is independent from the controlling shareholders in respect to its business,

and has independent and complete business and self-sufficient operating capability.

3. Horizontal Competition

Applicable Not Applicable

4 Introduction to the Shareholders' Meetings Held in the Reporting Period

(1) Index to the Shareholders' Meeting in the reporting period

In 2022, the Company has hold two Shareholders' Meetings, and the relevant contents are as follows:

1. Session of the meeting: 2021 Annual Shareholders' Meeting

The meeting type: annual shareholders' meeting

Investor participation ratio: 75.15%

Convening date: June 24, 2022

Disclosure date: June 25, 2022

The meeting resolutions:

1. 2021 Work Report of the Board of Directors of JMC;
2. 2021 Work Report of the Supervisory Board of JMC;
3. 2021 Annual Report of JMC and the Extracts from such Annual Report;
4. 2021 Financial Statements of JMC;
5. Proposal on JMC Profit Distribution for Year 2021;
6. Proposal on the Y2022 Routine Related Party Transaction Framework with JMCG Finance Company;
7. Proposal on the Y2022 Routine Related Party Transaction Framework with JMCG and its subsidiaries;
8. Proposal on the Y2022 Routine Related Party Transaction Framework with Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. and its subsidiaries;
9. Proposal on the Y2022 Routine Related Party Transaction Framework with Ford Motor Company and its subsidiaries;
10. Proposal on the Y2022 Routine Related Party Transaction Framework with Nanchang Baojiang Steel Processing Distribution Co., Ltd.;
11. Proposal on the Y2022 Routine Related Party Transaction Framework with Magna PT Powertrain (Jiangxi) Co., Ltd. (formerly known as "GETRAG (Jiangxi) Transmission Company")
12. Proposal on the Y2022 Routine Related Party Transaction Framework with Jiangxi Huaxiang Auto Components Co., Ltd.;
13. Proposal on the Y2022 Routine Related Party Transaction Framework with Jiangxi JMCG Specialty Vehicles Co., Ltd. and its subsidiaries;
14. Proposal on the Y2022 Routine Related Party Transaction Framework with China South Industries Group Corporation and its subsidiaries;
15. Proposal on the Y2022 Routine Related Party Transaction Framework with Jiangxi Jiangling Lear Interior System Co., Ltd.;
16. Proposal on the Y2022 Routine Related Party Transaction Framework with Nanchang Faurecia Emissions Control Technologies Co., Ltd.;
17. Proposal on Amendment to the Articles of Association of JMC (Year 2022)

2. Session of the meeting: 2022 First Special Shareholders' Meeting

The meeting type: special shareholders' meeting

Investor participation ratio: 75.00%

Convening date: November 7, 2022

Disclosure date: November 8, 2022

The meeting resolutions:

Proposal on Electing Mr. Shengpo Wu as a Director of the Tenth Board of Directors of JMC.

(2) Special Shareholders' Meeting convened by preferred-shareholders whose voting rights were restored

Applicable Not Applicable

5.Directors, supervisors and senior managers

(1) Basic information

Name	Position	Gender	Age	Term of Office	Shares at the period-beginning	Stock options	restricted stock	Share Change in the reporting period	Shares at the period-end
Qiu Tiangao	Chairman	Male	56	2020.06.19-2023.06.18	0	0	0	0	0
Shengpo Wu	Vice Chairman	Male	56	2022.11.07-2023.06.18	0	0	0	0	0
Ryan Anderson	Director	Male	49	2021.10.18-2023.06.18	0	0	0	0	0
Xiong Chunying	Director & President	Female	58	2021.06.25-2023.06.18	1,200	0	0	0	1,200
Jin Wenhui	Director & EVP	Male	55	2020.06.19-2023.06.18	0	0	0	0	0
Yuan Mingxue	Director	Male	54	2021.10.18-2023.06.18	0	0	0	0	0
Chen Jiangfeng	Independent Director	Male	43	2020.06.19-2023.06.18	0	0	0	0	0
Wang Yue	Independent Director	Female	44	2020.06.19-2023.06.18	0	0	0	0	0
Yu Zhuoping	Independent Director	Male	62	2021.10.18-2023.06.18	0	0	0	0	0
Xiao Hu	Chief supervisor	Male	54	2020.06.19-2023.06.18	0	0	0	0	0
Zhang Yangyang	Supervisor	Male	43	2021.10.18-2023.06.18	0	0	0	0	0
Zhang Jian	Supervisor	Male	53	2020.06.19-2023.06.18	40	0	0	0	40
Ma Jian	Supervisor	Male	47	2022.03.16-2023.06.18	0	0	0	0	0
Li Yanling	Supervisor	Female	45	2022.03.16-2023.06.18	0	0	0	0	0
Ding Wenmin	EVP	Male	50	2020.06.19-2023.06.18	0	0	0	0	0
Joey Zhu	CFO	Male	40	2021.10.01-2023.06.18	0	0	0	0	0
Erik Hermann	VP	Male	58	2021.02.01-2023.06.18	0	0	0	0	0
Wu Xiaojun	VP	Male	48	2020.06.19-2023.06.18	0	0	0	0	0
Xu Lanfeng	VP &Board	Female	53	2021.04.01-	0	0	0	0	0

	Secretary			2023.06.18					
Liu Rangpo	VP	Male	49	2021.04.01-2023.06.18	0	0	0	0	0
Wu Jiehong	VP	Female	46	2021.10.01-2023.06.18	0	0	0	0	0
Yang Shenghua	VP	Male	42	2021.12.01-2023.06.18	0	0	0	0	0
Sam lo	VP	Male	43	2022.08.01-2023.06.18	0	0	0	0	0
Zeng Fafa	VP	Male	44	2022.08.01-2023.06.18	0	0	0	0	0
Anderson Liu	VP	Male	50	2022.11.25-2023.06.18	0	0	0	0	0
Manto Wong	Ex-Vice Chairman	Male	60	2021.06.25-2022.11.06	0	0	0	0	0
Chen Guang	Ex-Supervisor	Male	49	2020.06.19-2022.03.15	0	0	0	0	0
Ding Zhaoyang	Ex-Supervisor	Male	53	2020.06.19-2022.03.15	20	0	0	0	20
Liu Shuying	Ex-VP	Female	60	2020.06.19-2022.05.31	0	0	0	0	0
Jerry Lin	Ex-VP	Male	46	2020.08.01-2022.07.31	0	0	0	0	0
Xiang Dongping	Ex-VP	Male	47	2021.09.01-2022.11.24	0	0	0	0	0
Total	—	—	—	—	1260	0	0	0	1260

Whether there are any outgoing Directors and Supervisors and the dismissal of senior management personnel during the reporting period?

Yes No

Changes of Directors, Supervisors and Senior Management

Applicable Not Applicable

Name	Position	Status	Date	Reason
Shengpo Wu	Vice Chairman	elected	2022.11.07	Work need.
Ding Wenmin	EVP	employment	2022.06.01	Appointment due to work need.
Sam Lo	VP	employment	2022.08.01	Appointment due to work need.
Zeng Fafa	VP	employment	2022.08.01	Appointment due to work need.
Anderson Liu	VP	employment	2022.11.25	Appointment due to work need.
Manto Wong	Ex-Vice Chairman	Leave	2022.11.06	Work rotation.
Chen Guang	Ex-Supervisor	Leave	2022.03.15	Work rotation.
Ding Zhaoyang	Ex-Supervisor	Leave	2022.03.15	Work rotation.
Liu Shuying	Ex-VP	Leave	2022.05.31	Retired
Jerry Lin	Ex-VP	Leave	2022.07.31	Work rotation.
Xiang Dongping	Ex-VP	Leave	2022.11.24	Work rotation.

(2). Employment

The current Directors, Supervisors and Senior Executives' professional background, main working experience and main responsibilities in the Company:

Directors:

Mr. Qiu Tiangao, born in 1966, holds a Bachelor Degree in Mechanical Manufacturing and a Master Degree in Industrial Engineering from Huazhong University of Science and Technology, and is Chairman of JMCG, Chairman of Nanchang Jiangling Investment Co., Ltd., and Chairman of JMC. Mr. Qiu Tiangao held various positions including General Manager, Chairman of Nanchang Gear Co., Ltd., Chairman of Jiangxi JMCG Gear Co., Ltd., Vice President of Jiangling Motor Holdings Co., Ltd., and Director & General Manager of JMCG.

Mr. Shengpo Wu, born in 1966, holds a Bachelor's Degree in Thermal Energy Engineering from Tsinghua University in Beijing and Master's Degrees in Mechanical Engineering and Information Management, respectively, from the University of Nebraska-Lincoln and the Keller Graduate School of Management of DeVry University, and is a Group Vice President of Ford, President and Chief Executive Officer of Ford China, and Vice Chairman of JMC. Mr. Shengpo Wu held various positions including Vice President and Regional General Manager for Honeywell Process Solutions in Greater China, President and CEO of Osram's Asia-Pacific business, President, Asia Pacific, and a member of the Global Executive Committee for Whirlpool Corporation, Managing Director and Chief Operating Officer of Ford China.

Mr. Ryan Anderson, born in 1973, holds a Bachelor's Degree in Economics from University of Chicago and a Master's Degree in Business Administration from University of Michigan - Ann Arbor, and is Director and CFO of Ford Motor (China) Ltd., Director of JMC, Director of Chang'an Ford Automobile Limited and Fuqi Trading (Shanghai) Ltd., and Chairman of Ford Electric Mache Technology (Nanjing) Co., Ltd. Mr. Ryan Anderson has held various positions including Treasurer of Ford Europe, Product Development Controller, Marketing & Sales Controller of Ford Asia Pacific, Director of Corporate Financial Planning and Analysis for Ford Motor Company.

Ms. Xiong Chunying, born in 1964, senior engineer, holds a Bachelor Degree in Automobile Engineering from Jiangsu Engineering College, a Master Degree in Industrial Economics from Jiangxi University of Finance and Economics and an EMBA Degree from China Europe International Business School, and is President and a Director of JMC. Ms. Xiong Chunying held various positions including Chief of Quality Management Department, Assistant to the President, Vice President, President, Executive Vice President, First Executive Vice President, Director for JMC.

Mr. Jin Wenhui, born in 1967, senior engineer, holds a Bachelor's Degree in Mechanical Manufacturing, a Master's Degree in Mechanical Engineering from Huazhong University of Science and Technology and an EMBA Degree in China Europe International Business School, and is Director & First Executive Vice President of JMC, in charge of marketing sales & service, and assist the President to manage the Company. Mr. Jin Wenhui held various positions including Chief of

Manufacturing Department, Assistant to the President, Vice President for JMC, Director, General Manager of JMCG Jingma Motors Co., Ltd., and Executive Vice General Manager of Jiangxi-Isuzu Motors Co., Ltd., and Executive Vice President of JMC.

Mr. Yuan Mingxue, born in 1968, holds a Bachelor's Degree in Auto Engineering from Beijing Institute of Technology and an EMBA from China Europe International Business School, and is Deputy Secretary of the Party Committee, Chairman of the Labor Union for Chongqing Chang'an Automobile Company Limited, and Director of JMC. Mr. Yuan Mingxue has held various positions including Assistant to the President of Chang'an Auto and Executive Vice President of Jiangling Holdings Limited Company, Assistant to the President and Director of Strategy Planning Department for Chang'an Auto, Assistant to the President and Director of Overseas Development Department for Chang'an Auto, Vice President, Executive Vice President of Chang'an Auto.

Mr. Chen Jiangfeng, born in 1979, holds a Bachelor's Degree and Master's Degree in Law from International Law Department, Foreign Affairs College, and is Senior Deputy General Counsel & Executive Director of Gilead (Shanghai) Pharmaceutical Technology Co., and an Independent Director of JMC. Mr. Chen Jiangfeng has held various positions including Legal Counsel of Ford Motor (China) Ltd., Legal Counsel of Ford Motor Research & Engineering (Nanjing) Co., Ltd./Chang'an Ford Mazda Automobile Corporation, Ltd., Nanjing Company/Chang'an Ford Mazda Engine Company, Ltd., Senior Legal Counsel & Compliance Officer of Ford Asia Pacific & Africa, Senior Legal Counsel of BMW China Automotive Trading Ltd., and Member of China Country Council, Head of legal, Director, Merck Healthcare China.

Ms. Wang Yue, born in 1978, holds a Bachelor's Degree in Accountancy from Henan University, a Master's Degree in Accountancy from Zhongnan University of Economics and Law, and a Doctor's Degree in Accountancy from Shanghai University of Financial and Economics, and is an Associate Professor of School of Accountancy for Shanghai University of Financial and Economics, an Independent Director of JMC, an Independent Director of Shanghai Xinhua Media Co., Ltd., an Independent Director of Zhuhai Letong Chemical Co., Ltd., an Independent Director of Jiangsu Hongde Special Components Co., Ltd., and an Independent Director of Guangdong Yangshan United Precision Manufacturing Co., Ltd. Ms. Wang Yue has served as Research Assistant at The Hong Kong Polytechnic University and China Europe International School, and during 2012~2013, served as Visiting Scholar at Zimmerman Center for University of Illinois at Urbana-Champaign.

Mr. Yu Zhuoping, born in 1960, holds a Bachelor's Degree in Mechanical Engineering and a Master's degree in Mechanical Engineering from Tongji University and a Doctor's Degree in Automotive Engineering from Tsinghua University, and is Director of Collaborative Innovation Center for Intelligent Energy Vehicles of Tongji University, Chairman of Tongji Automobile Design and Research Institute Co., Ltd., Chairman of Nanchang Jiling New Energy Technology Co. Ltd., a Director of Shanghai Motor Vehicle Inspection Certification & Tech Innovation Center Co., Ltd., a Director of Beijing National Hydrogen Zhonglian Hydrogen Energy Technology Research Institute Co., Ltd., Chairman

and General Manager of Shanghai Intelligent New Energy Vehicle Science and Technology Innovation Function Platform Co., Ltd., a Counsellor of Shanghai Municipal People's Government, a Vice President of China Society of Automotive Engineers, a Non-Executive Director of Huazhong In-Vehicle Holdings Company Limited, a Director of Appotronics Corporation Limited, an Independent Director of Shanghai Haili (Group) Co., Ltd., an Independent Director of Weichai Power Co., Ltd., an Independent Director of Ningbo Shenglong Automotive Powertrain System Co., Ltd., an Independent Director of Huayu Automotive Systems Co., Ltd and an Independent Director of JMC. Mr. Yu Zhuoping held various positions including Director of School of Mechanical Engineering, Executive Deputy Director of New Energy Vehicle Engineering Center, Executive Vice Dean, Dean of School of Automotive Studies for Tongji University, and Assistant to the President of Tongji University.

Supervisors:

Mr. Xiao Hu, born in 1968, holds a Bachelor's Degree in Radio from Information Science & Electronic Engineering Department of Zhejiang University, and is a member of the Standing Committee of the CPC, the secretary of Discipline Inspection Commission and Chairman of Supervisory Board for JMCG, and Chief Supervisor of JMC. Mr. Xiao Hu has served as a cadre in the General Office of the Nanchang Municipal People's Government, Deputy Director of the Office of the Working Committee of the Nanchang Hi-tech Industrial Development Zone, deputy director of the Software Industry Office of the Nanchang Hi-tech Industry Development Zone Administrative Committee, Deputy Head of the Organization Department of the Working Committee of Nanchang Hi-tech Industry Development Zone, Deputy Director of the Personnel and Labor Bureau of the Nanchang Hi-tech Industry Development Zone Administrative Committee, Head of the Organization Department of the Working Committee of Nanchang Hi-tech Industry Development Zone, and the Director of the Personnel Bureau of the Nanchang Hi-tech Industry Development Zone Administrative Committee.

Mr. Zhang Yangyang, born in 1979, holds a LLB Degree in International Law from China Foreign Affairs University and a LLM Degree from the University of Michigan Law School (Ann Arbor), is qualified to practice law in People's Republic of China and in the State of New York, the United States of America, and is currently serve as a Director and General Counsel of Ford Motor (China) Ltd., Principle of Beijing Branch for Ford Motor (China) Ltd., a Supervisory of Ford Electric Mache Technology (Nanjing) Co., Ltd., a Supervisor of Ford Electric Mache Auto Sales (Shanghai) Co., Ltd and a Supervisor of JMC. Mr. Zhang Yangyang previously assumed a series of legal related positions within Ford including Managing Counsel for Ford China and ASEAN region, Senior Counsel for Ford China Operations, etc.

Mr. Zhang Jian, born in 1969, holds a College Degree in Secretarial Professional from North China University of Technology, and is Chairman of JMCG Labor Union, Chairman of Supervisor Board of Nanchang Jiangling Investment Co., Ltd., and a Supervisor of JMC. Mr. Zhang Jian held various positions including Secretary of Chairman and Deputy Director of Office for JMC, Director of Office, Director of Communist Party Office, Chief of Publicity Department for JMCG, Assistant to General Manager of JMCG, and Senior Vice Chairman of JMCG Labor Union.

Mr. Ma Jian, born in 1975, holds a College Degree in Mechanical & Electrical Engineering from Nanchang University of Aeronautical Technology, a Master Degree in Mechanical Engineering from Huazhong University of Science and Technology, and is a Supervisor and Chief of Manufacturing Department for JMC. Mr. Ma Jian held various positions including Lead Engineer, Assistant to the Chief, Deputy Chief of Manufacturing Department for JMC, Director of Nanchang factory for Getrag Powertrain (Jiangxi) Co. Ltd., and Director of Nanchang Factory and Director of DCT Factory for Magna Powertrain (Jiangxi) Co. Ltd.

Ms. Li Yanling, born in 1977, holds a College Degree in Industrial and Trade English from Nanchang University of Aeronautical Technology, a Bachelor Degree in English from Jiangxi Normal University, and is a Supervisor and Deputy Chief of Public Relationship Department for JMC. Ms. Li Yanling held various positions including Assistant to Ford Quality Expert of Quality Control Department, Assistant to Ford Expert of Public Relationship and Legal Affairs Department, Executive Assistant to President, Chief of Translation Office, and Deputy Chief of Public Relationship Department for JMC.

Senior management:

Ms. Xiong Chunying, please refer to the part of Directors for her resume.

Mr. Jin Wenhui, please refer to the part of Directors for his resume.

Mr. Ding Wenming, born in 1972, holds a Bachelor's Degree in Automobile Exertion from Wuhan University of Technology, and is an Executive Vice President of JMC, in charge of the Company's product research and development. Mr. Ding Wenming held various positions including Deputy Chief of Product Development Center, Chief of Product Planning & Program Management Department, and Assistant to the President for JMC, Vice President of JMC.

Mr. Joey Zhu, born in 1982, holds a Bachelor's Degree in Accounting from Nanjing University and a Master's Degree in Financial Engineering from Nanyang Technological University, and is CFO of JMC. Mr. Joey Zhu held various positions including PD Profit Planning Manager, Profit Analysis Manager, Admin & IT Controller, and PD Finance Controller for Ford Asia & Pacific, Deputy CFO of CEVT, Sweden, Finance Controller of Byton NEV Company, Senior Business Development Manager, CFO of BEV Division, and BEV Strategic Partnership Development Director for Ford China.

Mr Eric Hermann, born in 1964, holds a Bachelor's Degree in Engineering Mechanical and a Master's Degree in Engineering Mechanical from University of Michigan, and is a Vice President of JMC, in charge of the Company's product research and development. Mr. Eric Hermann held various positions in Ford Motor Company including Light Truck Exhaust Design Engineer, Vehicle NVH Supervisor, VE Launch Leader, Exhaust, AIS & Clutch Supervisor, AIS, Cooling, Exhaust & CAE Manager, BoF Cooling & Mounts Manager, Unibody Exhaust & AIS Manager, and Global AIS Manager, as well as the Director of Powertrain Engineering Department and Assistant President for JMC.

Mr. Wu Xiaojun, born in 1974, holds a Bachelor's Degree from Wuhan University of Technology and a MBA from Jiangxi University of Finance and Economics, and is a Vice President of JMC, CEO of New Energy Division for JMC, Executive Director and General Manager of Jiangling Heavy Vehicle Co., Ltd., in charge of the new energy business of commercial vehicles for the Company. Mr. Wu Xiaojun held various positions including Chief of Quality Department, Assistant to the President for JMC, and Executive Deputy General Manager of JMC Heavy Duty Vehicle Co., Ltd.

Ms. Xu Lanfeng, born in 1969, holds a Bachelor's Degree in Forging Technology and Equipment from Jiangxi Industry University and a MBA from University of International Business and Economics, and is a Vice President and the Board Secretary of JMC, in charge of the Company's human resources and relevant duties of Board Secretary. Ms. Xu Lanfeng held various positions in JMC including Deputy Plant Manager of Framing Plant, Deputy Chief, Chief of Manufacture Department and Assistant to the President of JMC.

Mr. Liu Ranbo, born in 1973, holds a Bachelor's Degree in Plastic Forming from Wuhan Automotive Polytechnic University, and is a Vice President of JMC and General Manager of Jiangling Motor Sales Co., Ltd., in charge of commercial vehicle sales business of the Company. Mr. Liu Ranbo held various positions in JMC including Marketing Service Manager for Customer Service Department, Regional Manager for East 3 / East 1 District, JMC Light Truck Brand Manager, Sales Director of Jiangling Motors Sales General Company, and Deputy General Manager of Jiangling Motor Sales Co., Ltd.

Ms. Wu Jiehong, born in 1976, holds a Bachelor's Degree in Finance Management from Nanchang University and a MBA from Jiangxi University of Finance and Economics, and is a Vice President of JMC, in charge of the strategic development of the Company and assist the CFO to support the financial work. Ms. Wu Jiehong held various positions including Assistant to the Chief of Financial Department, Chief of Internal Audit Office, and Chief of Financial Department for JMC, Finance Manager for Ford APA, Chief of Planning Department, and Assistant to the President for JMC.

Mr. Yang Shenghua, born in 1980, holds a Bachelor's Degree in English Language & Literature from Huazhong University of Science and Technology and a Master's Degree in Business Administration from Nanjing University, and is a Vice President of JMC, in charge of purchasing business of the Company. Mr. Yang Shenghua held various positions including Program Purchasing Supervisor of Chang'an Ford Automobile Co., Ltd., Program Purchasing Manager, and Purchasing Strategy & Program Director for JMC.

Mr. Sam Lo, born in 1979, holds a Bachelor's Degree in Mechanical Engineering from National Taiwan University of S&T, China, a Master's degree in Mechanical Engineering from National Taiwan University, China, and is a Vice President of JMC, in charge of manufacturing business of the Company. Mr. Sam Lo held various positions including Production Superintendent and ME Manager of Ford Lio Ho Motor Company, VOME Implementation Body Manager and Final Assembly Manager of Ford Asia & Pacific, Body Area Manager Advisor of

Changan Ford Motor Co., Ltd. Harbin Branch, Plant Launch Manager and Plant Manager of Changan Ford Motor Co., Ltd. Hangzhou Branch.

Mr. Zeng Fafa, born in 1978, holds a Bachelor's Degree in Automotive Engineering from Nanchang University, China, and is a Vice President of JMC, in charge of manufacturing business of the Company. Mr. Zeng Fafa held various positions including Chief of Quality Improvement Section of Quality Control Department, Deputy Director of Quality Control Department, Director of New Model Program Department, Director of Quality Control Department, Director of Quality Control & New Model Program Department, Director of Manufacture Department, and an Assistant to the President of JMC.

Mr. Anderson Liu, born in 1972, holds a Bachelor's Degree in Liberal Arts-Psychology from National Taiwan University, China, a Master's Degree in Liberal Arts-Psychology from National Chengchi University, China, and a MBA Degree from University of Pittsburgh, USA, is a Vice President of JMC and General Manger of Jiangling Ford Motor Technology (Shanghai) Co., Ltd, in charge of the passenger vehicle sales business of the Company. Mr. Anderson Liu held various positions including Financial Analyst, E-Commerce Manager, Research Manager, Marketing Manager for FLH, Sr. Marketing Manager, VP of VW Branch Operation, VP of MS for VW Swire, Sales Director, MS Director for FLH, General Manager of Dealer Network Development and Consumer & Retail Experience for Lincoln China, and Executive Vice General Manager of Jiangling Motor Sales Co., Ltd.

Positions at the shareholder entities

Applicable Not Applicable

Name	Shareholder Entity	Title	Term of Office	Compensation Paid by Shareholder Entity (Y/N)
Qiu Tiangao	JIC	Chairman	2019.05.28	N
Shengpo Wu	Ford	Group Vice President	2023.03.01	Y
Ryan Anderson	Ford	CFO, Ford China	2021.06.01	Y
Jin Wenhui	JIC	Director	2019.05.28	N
Yuan Mingxue	JIC	Director	2019.05.28	N
Zhang Jian	JIC	Chief supervisor	2019.05.28	N
Description of the positions in the shareholder entities			None.	

Positions in other entities

Applicable Not Applicable

Name	Entity	Title	Compensation Paid by Other Entities (Y/N)
Qiu Tiangao	JMCG	Chairman, Legal Representative	Y
Qiu Tiangao	JiangxiISUZU Co., Ltd.	Chairman, Legal Representative	N
Qiu Tiangao	JMCG New Energy Vehicle Co., Ltd.	Chairman, Legal Representative	N

Qiu Tiangao	Nanchang Jiangling Investment Co. Ltd.	Chairman, Legal Representative	N
Qiu Tiangao	Nanchang Intelligent New Energy Vehicle Research Institute	Chairman	N
Shengpo Wu	Ford Motor (China) Ltd.	President and CEO	N
Shengpo Wu	Whirlpool (China) Co., Ltd.	Vice Chairman	Y
Shengpo Wu	Shanghai Guangdian Electric (Group) Co., LTD.	Director	Y
Ryan Anderson	Ford Motor (China) Ltd.	Director, Chief Financial Officer	N
Ryan Anderson	Chang'an Ford Automobile Co., Ltd.	Director	N
Ryan Anderson	Ford Shuttle Trading (Shanghai) Co., Ltd.	Director	N
Ryan Anderson	Lincoln Automobile Sales Service (Shanghai) Co., Ltd	Director	N
Ryan Anderson	Ford Electric Mach Technology (Nanjing) Co., Ltd	Chairman, Head of Power Technology branch	N
Ryan Anderson	Ford Technology (China) Holding Limited	Director	N
Ryan Anderson	Ford Technology (China) Holding	Director	N
Jin Wenhui	JMCG	Director	N
Jin Wenhui	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	Chairman	N
Jin Wenhui	Jiangling Motor Sales Co., Ltd.	Executive Director, Legal Representative	N
Jin Wenhui	Hanon Systems (Nanchang) Co., Ltd.	Vice Chairman	N
Jin Wenhui	Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Director	N
Yuan Mingxue	Chongqing Chang'an Automobile Company Limited	Chairman of the Labor Union	Y
Chen Jiangfeng	Gilead (Shanghai) Pharmaceutical Technology Co., Ltd.	Executive Director, Senior Deputy General Counsel	Y
Wang Yue	Shanghai University of Finance and Economics	Associate Professor	Y
Wang Yue	Shanghai XinHua Media Co., Ltd.	Independent Director	Y
Wang Yue	Zhuhai Letong Chemical Co., Ltd.	Independent Director	Y
Wang Yue	Jiangsu Hongde Special Parts Co.,Ltd.	Independent Director	Y
Wang Yue	Guangdong Yangshan United Precision Manufacturing Co., Ltd.	Independent Director	Y

Yu Zhuoping	Tongji Automobile Design and Research Institute Co., Ltd.	Chairman	N
Yu Zhuoping	Nanchang Jiling New Energy Technology Co., Ltd.	Chairman	N
Yu Zhuoping	Shanghai Motor Vehicle Inspection Certification & Tech Innovation Center Co., Ltd.	Director	Y
Yu Zhuoping	Beijing National Hydrogen Zhonglian Hydrogen Energy Technology Research Institute Co., Ltd.	Director	N
Yu Zhuoping	Shanghai Intelligent New Energy Vehicle Science and Technology Innovation Function Platform Co., Ltd.	Chairman & President	N
Yu Zhuoping	Appotronics Corporation Limited	Director	Y
Yu Zhuoping	Shanghai Haili (Group) Co., Ltd.	Independent Director	Y
Yu Zhuoping	Huayu Automotive Systems Co., Ltd.	Independent Director	Y
Yu Zhuoping	Weichai Power Co., Ltd.	Independent Director	Y
Yu Zhuoping	Ningbo Shenglong Automotive Powertrain System Co., Ltd.	Independent Director	Y
Yu Zhuoping	Huazhong In-Vehicle Holdings Company Limited	Non-executive Director	Y
Yu Zhuoping	Shanghai Municipal People's Government	Counsellor	N
Yu Zhuoping	China Society of Automotive Engineers	Vice Chairman	N
Xiao Hu	JMCG	Chairman of Supervisory Board	Y
Xiao Hu	JMCG Jingma Motors Co., Ltd.	Supervisor	N
Xiao Hu	Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Supervisor	N
Xiao Hu	Jiangxi Jiangling Chassis Co., Ltd.	Supervisor	N
Xiao Hu	Jiangling Dingsheng Investment Co., Ltd.	Supervisor	N
Xiao Hu	Jiangxi Jiangling Real Estate Co., Ltd.	Chairman of Supervisory Board	N
Zhang Yangyang	Ford Motor (China) Ltd.	Director, General Counsel, Principal of Beijing Branch	Y
Zhang Yangyang	Ford Motor Research (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Motor Research Test(Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Shuttle Trading (Shanghai) Co., Ltd.	Supervisor	N

Zhang Yangyang	Lincoln Automobile Sales Service (Shanghai) Co., Ltd.	Supervisor	N
Zhang Yangyang	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Electric Mach Technology (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Electric Mach Technology (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	Supervisor	N
Zhang Jian	JMCG	Chairman of the Labor Union	Y
Zhang Jian	Nanchang Jiangling Investment Co. Ltd.	Chairman of Supervisory Board	N
Zhang Jian	JMCG New Energy Automobile Co. Ltd.	Supervisor	N
Zhang Jian	Jiangxi Jiangling Special-Purpose Vehicle Co., Ltd.	Supervisor	N
Zhang Jian	Jiangxi JMCG Specialty Vehicles Co., Ltd.	Supervisor	N
Zhang Jian	Nanchang Gear Co., Ltd.	Chief Supervisor	N
Zhang Jian	JMCG Finance Co., Ltd.	Chief Supervisor	N
Zhang Jian	Jiangxi Lingrui Renewable Resources Development Co., Ltd.	Supervisor	N
Zhang Jian	Jiangxi Jiangling Real Estate Co.,Ltd	Supervisor	N
Zhang Jian	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Chief Supervisor	N
Zhang Jian	Magna Powertrain (Jiangxi) Co. Ltd.	Supervisor	N
Zhang Jian	Jiangxi Yizhizhixing Automobile Operation Service Co., Ltd.	Supervisor	N
Ding Wenming	JMCG	Director	N
JoeyZhu	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	Director	N
JoeyZhu	Hanon Systems (Nanchang) Co., Ltd.	Director	N
JoeyZhu	Jiangling Motor Sales Co., Ltd.	Supervisor	N
Wu Xiaojun	JMC Heavy Duty Vehicle Co., Ltd.	Executive Director, Legal Representative	N
Wu Xiaojun	Shenzhen Fujiang New Energy Automobile Sales Co., Ltd.	Executive Director, Legal Representative General Manger	N
Wu Xiaojun	Guangzhou Fujiang New Energy Automobile Sales Co., Ltd.	Executive Director, Legal Representative	N
Wu Xiaojun	Shanxi Yunnei Power Co., Ltd.	Director	N

Liu Rangpo	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	Director	N
Liu Rangpo	Jiangling Motor Sales Co., Ltd.	General Manager	N
Wu Jiehong	JMC Heavy Duty Vehicle Co., Ltd.	Supervisor	N
Wu Jiehong	Shanxi Yunnei Power Co., Ltd.	Director	N
Wu Jiehong	Shenzhen Fujiang New Energy Automobile Sales Co., Ltd.	Supervisor	N
Wu Jiehong	Guangzhou Fujiang New Energy Automobile Sales Co., Ltd.	Supervisor	N
Anderson Liu	Jiangling Ford Motor Technology (Shanghai) Co., Ltd.	General Manager	N
Description of the positions in other entities		None	

Penalties from securities regulator to the present and resigned Directors, Supervisors and Senior Executives in the recently three years

Applicable Not Applicable

(4). Compensation of Directors, Supervisors and Senior Executives

Decision-making procedure, determination of basis, and actual payment regarding the compensation of the Directors, Supervisors and Senior Executives

Directors and Supervisors who did not concurrently hold other management positions in JMC were not paid by JMC. Director Qiu Tiangao, Supervisor Xiao Hu and Supervisor Zhang Jian were paid by JMCG. Director Shengpo Wu and Director Ryan Anderson were paid by Ford. Supervisor Zhang Yangyang was paid by Ford Motor (China) Ltd.. Director Yuan Mingxue were paid by Chongqing Chang'an Automobile Co., Ltd.

(a) In accordance with JMC Executive Compensation Scheme approved by the Board of Directors, the compensation for the Chinese-side senior management consists of base salary and floating bonus. The base salary level is determined according the grade of the senior executives, and the floating bones shall be paid according to the operating performance. 70% of the bonus will be distributed in this year, and the rest 30% will be distributed in the next three years. In 2022, the Company paid annual compensation before tax of approximately RMB 1,910 thousand to Director & First EVP Jin Wenhui, paid approximately RMB 1,560 thousand to EVP Ding Wenming, paid approximately RMB 1,390 thousand to VP Wu Xiaojun, paid approximately RMB 1,370 thousand to VP & Board Secretary Xu Lanfeng, paid approximately RMB 1,360 thousand to VP Liu Rangpo, paid approximately RMB 1,430 thousand to VP Wu Jiehong, paid approximately RMB 1,050 thousand to VP Zeng Fafa, paid approximately RMB 630 thousand to Employee-representative Supervisor Ma Jian, paid approximately RMB 430 thousand to Employee-representative Supervisor Li Yanling. The Company paid annual compensation before tax of approximately RMB 800 thousand to Ex-VP Liu Shuying, paid approximately RMB 880 thousand to Ex-employee-representative Supervisor Chen Guang. The total compensation before tax paid by JMC for the aforesaid persons was about RMB 12.81 million in the reporting period, including the long-term incentive of RMB 740 thousand deferred from the previous years.

(b)JMC pays annual compensation for Ford-seconded senior management personnel to Ford in accordance with the Personnel Secondment Agreement

signed between JMC and Ford & Ford Affiliates. In 2022, the Company should pay approximately RMB 1,100 thousand to Ford for Director and President Xiong Chunying, pay approximately RMB 1,100 thousand for CFO Joey Zhu, pay US\$ 500 thousand for VP Erik Hermann, pay RMB 1,100 thousand for VP Yang Shenghua, pay RMB 460 thousand for VP Sam Lo, pay US\$ 440 thousand and RMB 660 thousand for VP Anderson Liu, pay RMB 640 thousand for Ex-VP Jerry Lin, pay RMB 3,310 thousand for Ex-VP Xiang Dongping. These payments made by JMC to Ford do not reflect the actual salaries earned by Ford-seconded senior management.

(c) Pursuant to the resolutions of JMC 2011 Annual Shareholder's Meeting, the annual compensation for the JMC Independent Directors is RMB 100 thousand per person, and JMC bears their travel-related expenses associated with JMC's business. In 2022, the Company paid annual compensation before tax of RMB 100 thousand to Independent Director Chen Jiangfeng, Independent Director Wang Yue, and Independent Director Yu Zhuoping respectively.

Table on compensation of the Directors, Supervisors and Senior Executives in the reporting period

Unit: RMB' 000

Name	Position	Gender	Age	Present (Y/N)	Compensation Before Tax Paid by JMC	Compensation Paid by Related Party (Y/N)
Qiu Tiangao	Chairman	Male	56	Y	0	Y
Shengpo Wu	Vice Chairman	Male	56	Y	0	Y
Ryan Anderson	Director	Male	49	Y	0	Y
Xiong Chunying	Director & President	Female	58	Y	*	Y
Jin Wenhui	Director & EVP	Male	55	Y	1910	N
Yuan Mingxue	Director	Male	54	Y	0	Y
Chen Jiangfeng	Independent Director	Male	43	Y	100	N
Wang Yue	Independent Director	Female	44	Y	100	N
Yu Zhuoping	Independent Director	Male	62	Y	100	N
Xiao Hu	Chief supervisor	Male	54	Y	0	Y
Zhang Yangyang	Supervisor	Male	43	Y	0	Y
Zhang Jian	Supervisor	Male	53	Y	0	Y
Ma Jian	Supervisor	Male	47	Y	630	N
Li Yanling	Supervisor	Female	45	Y	430	N
Ding Wenmin	VP	Male	50	Y	1560	N
Joey Zhu	CFO	Male	40	Y	*	Y
Erik Hermann	VP	Male	58	Y	*	Y
Wu Xiaojun	VP	Male	48	Y	1390	N
Xu Lanfeng	VP & Board Secretary	Female	53	Y	1370	N
Liu Rangpo	VP	Male	49	Y	1360	N
Wu Jiehong	VP	Female	46	Y	1430	N

Yang Shenghua	VP	Male	42	Y	*	Y
Sam lo	VP	Male	43	Y	*	Y
Zeng Fafa	VP	Male	44	Y	1050	N
Anderson Liu	VP	Male	50	Y	*	Y
Manto Wong	Ex-Vice Chairman	Male	60	N	0	Y
Chen Guang	Ex-Supervisor	Male	49	N	880	N
Ding Zhaoyang	Ex-Supervisor	Male	53	N	0	Y
Liu Shuying	Ex-VP	Female	60	N	800	N
Jerry Lin	Ex-VP	Male	46	Y	*	Y
Xiang Dongping	Ex-VP	Male	47	Y	*	Y
Total	-	-	-	-	13,110	-

*See the instructions in the previous paragraph.

6. Directors' Performance of Duty

(1) Introduction to the Board of Directors

Meeting	Convening Date	Disclosure Date	Meeting Resolutions
Paper Meeting	2022.02.14-02.21		No matters that should be disclosed are involved.
Paper Meeting	2022.03.18-03.28	2022.03.30	1. Proposal on Year 2021 Profit Distribution; 2. approved the 2021 Annual Report of the Company and the Extracts from such Annual Report; 3. approved the 2021 Work Report of the Board of Directors of the Company; 4. approved the Company's 2021 Financial Statements; 5. approved the Company's 2021 Internal Control Self-assessment Report; 6. approved the Company's 2021 Corporate Social Responsibility Report; 7. approved JMCG Finance Company Continuous Risk Assessment Report. 8. approved MC 2021 Assets Impairment Provisions & Write-off proposal.
Eighth Session of the Tenth Board	2022.03.28		No matters that should be disclosed are involved.
Paper Meeting	2022.04.19-04.25	2022.04.27	Approved the Company's 2022 First Quarter Report.
Paper Meeting	2022.05.20-05.27	2022.05.31	1. approved the personnel changes of senior executives; 2. approved the Notice on Holding 2021 Annual Shareholders' Meeting of JMC.
Ninth Session of the Tenth Board	2022.06.24		No matters that should be disclosed are involved.
Paper Meeting	2022.07.21-	2022.07.29	Approved the personnel changes of

	07.27		senior executives.
Paper Meeting	2022.08.19-08.26	2022.08.30	1. approved JMC 2022 Half-year Report and the Extracts from JMC 2022 Half-year Report; 2. approved JMCG Finance Company Continuous Risk Assessment Report.
Paper Meeting	2022.09.05-09.09		No matters that should be disclosed are involved.
Tenth Session of the Tenth Board	2022.09.23		No matters that should be disclosed are involved.
Paper Meeting	2022.10.12-10.18	2022.10.20	1. approved the Director Changes Proposal; 2. approved the Notice on Holding 2022 First Special Shareholders' Meeting of JMC.
Paper Meeting	2022.10.18-10.24	2022.10.26	Approved the Company's Third Quarter Report.
Paper Meeting	2022.11.18-11.24	2022.11.25	1. elected the Vice Chairman and members of the special committees under the Board of Directors; 2. approved the personnel changes of senior executives.
Eleventh Session of the Tenth Board	2022.12.09	2022.12.13	Approved the 2023 Routine Related Party Transaction Forecast Proposal.
Paper Meeting	2022.12.10		No matters that should be disclosed are involved.

(2) Particulars about the Directors' attendance to the Board meeting and the Shareholders' Meeting

Name	Required Board Attendance	Presence in Person	Presence in form of Paper Meeting	Presence by Proxy	Absence	Not to present in person in two consecutive meetings (Y/N)	Presence at the Shareholders' Meeting
Qiu Tiangao	15	4	11	-	-	N	1
Shengpo Wu	3	1	2	-	-	N	-
Ryan Anderson	15	4	11	-	-	N	1
Xiong Chunying	15	4	11	-	-	N	2
Jin Wenhui	15	4	11	-	-	N	2
Yuan Mingxue	15	-	11	4	-	Y	-
Chen Jiangfeng	15	4	11	-	-	N	1
Wang Yue	15	4	11	-	-	N	1
Yu Zhuoping	15	4	11	-	-	N	1
Manto Wong	12	3	7	2	-	N	1

Statements on failure to attend Board meetings in person for two consecutive occasions

Director Yuan Mingxue did not attend the Board meetings in person for two consecutive times due to other official commitments.

(3) Dissent from Directors

Yes No

The Directors of the Company had no dissent to the relevant proposals of the Company in the reporting period.

(4) Other introduction to Directors' Performance of Duty

Whether the Directors' suggestions on the Company have been adopted

Yes No

Statement of the adoption or not of the Directors' suggestions on the Company

All the Directors of the Company fulfill their duties, diligent, active attention to the Company's management information, financial situation, major matters, etc., to the proposals submitted to the Board of Directors thorough study and discussion, and put forward their respective opinions, make recommendations for the Company's business development, make decisions fully consider the interests of minority shareholders and the demands, strengthen the scientific Board decision, promote the sustainable, stable and healthy development of the work.

7. Situation of the Committees under the Board of Directors in the Reporting Period

(1) Audit Committee

Members:

Chairman: Wang Yue

Member: Ryan Anderson, Yuan Mingxue, Chen Jiangfeng, Yu Zhuoping

Secretary: Joey Zhu

The number of meetings held in the reporting period: five.

The first Audit Committee meeting of 2022 was convened on January 14, 2022. Meeting contents:

Reviewed the 2021 Annual Financial and Accounting Statements of JMC, and would review the Company's financial and accounting statements again after the auditor forms the preliminary audit opinions.

Important comments and suggestions made: None.

Other performance of duties: None.

Details of the objection to matter: None.

The second Audit Committee meeting of 2022 was convened on February 22, 2022. Meeting contents:

Reviewed the Company's financial report after the certified auditor issued its initial audit opinions.

Important comments and suggestions made: None.

Other performance of duties: None.

Details of the objection to matters: None.

The third Audit Committee meeting of 2022 was convened on March 3, 2022. Meeting contents:

1. Reviewed the PwC Report;

2. Reviewed the 2021 Financial Report audited by the auditor and agreed to submit it to the Board of Directors for approval;
 3. Reviewed the Annual Audit Summary Report of External Auditors and agreed to submit it to the Board of Directors for approval;
 4. Reviewed the 2021 Internal Control Self-Evaluation Report and agreed to submit it to the Board of Directors for approval;
 5. Reviewed the Audit Committee Performance Report and agreed to submit it to the Board of Directors for approval;
- Important comments and suggestions made: None.
Other performance of duties: None.
Details of the objection to matters: None.

The fourth Audit Committee meeting of 2022 was convened on June 24, 2022. Meeting contents:

1. Reviewed the Internal Control Work Report for the first half of 2022 and the Work Plan for the second half of 2022;
 2. Reviewed the PwC Report.
- Important comments and suggestions made: None
Other performance of duties: None.
Details of the objection to matters: None.

The fifth Audit Committee meeting of 2022 was convened on December 9, 2022. Meeting contents:

1. Reviewed the Internal Control Work Report 2022 and approved the Internal Audit Work Plan 2023.
 2. Reviewed the Asset Impairment Preparation Report 2022 and agreed to submit it to the Board for review.
 3. Reviewed and approved the Financial Statements Audit Schedule 2022.
 4. Reviewed the PwC Report.
- Important comments and suggestions made: The Audit Committee recommended the company pay more attention to data protection.
Other performance of duties: None.
Details of the objection to matters: None.

(2) Compensation Committee

Members:

Chairman: Chen Jiangfeng

Member: Qiu Tiangao, Ryan Anderson, Wang Yue, Yu Zhuoping

Secretary: Xu Lanfeng

The number of meetings held in the reporting period: one.

A Compensation Committee meeting was convened on March 3, 2022.

Meeting contents:

1. Reviewed and approved the Proposal on 2021 Year-end Bonus for the Company's senior executives;
2. Reviewed and approved the adjustment of the annual total cash income target of the Company's senior executives in 2022;
3. Reviewed and approved the KPIs for the Company's senior executives in 2022;

5. Reviewed and approved the 2021 Due Diligence Report of the Compensation Committee.

Important comments and suggestions made: None.

Other performance of duties: None.

Details of the objection to matters: None.

(3) Strategy Committee

Members:

Chairman: Qiu Tiangao

Member: Shengpo Wu, Ryan Anderson, Xiong Chunying, Jin Wenhui, Yuan Mingxue

Secretary: Wu Jiehong

The number of meetings held in the reporting period: one.

A Strategy Committee meeting was convened on September 23, 2022.

Meeting contents:

Review the strategy status report with the theme of Following Development Trend and Achieving Strategic Breakthrough.

Important comments and suggestions made: None.

Other performance of duties: None.

Details of the objection to matters: None.

Note: Mr. Shengpo Wu succeeded Mr. Manto Wong as a member of the Strategic Committee of the Company in November 2022.

8. Works of Supervisory Board

Risks found by the Supervisory Board in the reporting period

Yes No

The Supervisory Board had no dissent on inspection items in the reporting period.

9. Employees

(1) Employees, Professional Structure and Educational Level

Employees in parent company at the end of reporting period(persons)	11,759
Employees in subsidiaries at the end of reporting period(persons)	580
Total employees at the end of reporting period(persons)	12,339
Total employees paid compensation (persons)	13,118
Retired employees bore retirement benefits in parent company and its subsidiaries	779
Professional Structure	
Type	Employees (Persons)
Production Worker	7,860
Sales Personnel	660
Technical Personnel	2,977
Finance Personnel	156
Administrative Staff	686
Total	12,339
Educational Level	

Type	Employees (Persons)
Master degree and higher	884
Undergraduate degree	3,478
Polytechnic school degree	1,602
Below polytechnic school degree	6,375
Total	12,339

(2) Compensation Policy

JMC strictly abided by the relevant requirements of national labor laws and regulations, and provided safe and comfortable work places. The Company also established and improved the incentive system that can effectively help the realization of the Company's strategy and targets, based on the characteristics of the business and talents, the company promotes the multi-talent incentive system with orientation on value, ability and contribution, so as to accelerate the growth of new automobile talents. The company also strengthens the connection between personal interests of core talents and the company's medium and long-term strategic goals, thus driving the achievement of business objectives. At the same time, the Company constantly improves employee welfare policies to meet the diversified individual needs of employees and improve employee experience and satisfaction.

(3) Training

In 2022, with To Become Leader in Light Commercial Vehicle and Provider of Ford Value Products as the vision, JMC paid attention to the talent transformation and training of new automotive technologies, built an effective learning ecology, focused on learning effects and experience, establish a platform, provide resources, and provided human resource support for the Company's strategic goals, so as to meet the Company's future industry challenges in the field of new energy, intelligent network and intelligent manufacturing. For more information about the completion of 2022 training, please refer to the 2022 Social Responsibility Report released by the Company.

(4) Labour outsourcing

Applicable Not Applicable

10. Profit distribution and capital reserve conversion

Establishment, implementation or adjustment of profit distribution policy, esp. cash dividend distribution policy, regarding common stock during the reporting period

Applicable Not Applicable

In accordance with the requirements of laws, regulations and the Articles of Association of the Company, the Company's profit distribution policy maintains continuity and stability, and the Company pays attention to the reasonable return to investors. The Company gives priority to cash dividend, and subject to the provisions of laws, regulations and the Articles of Association of the Company, the Board of Directors can put forward a mid-term or special profit distribution proposal. The Company's profit distribution policy is in line with the CSRC's guidance on encouraging cash dividends for listed companies.

Special Explanation on Cash Dividend Policy	
Whether to comply with the requirements of the Articles of Association of JMC	Y

or resolution of the Shareholders' Meeting (Y/N)	
Whether the standards and proportion of dividends on profit distribution are clear (Y/N)	Y
Whether the procedures are valid and legal (Y/N)	Y
Whether the Independent Director fulfil their duties (Y/N)	Y
Whether middle and small shareholders have opportunities to claim their appeals and their legal rights and interests are completely protected (Y/N)	Y
Whether the condition and procedure are reasonable and transparent when the cash dividend policy is being changed (Y/N)	Y

The Company made a profit during the reporting period and the profit of the parent company distributable to the common shareholders is positive, but a distribution plan of cash dividends for the common shares is not put forward

Applicable Not Applicable

Proposal on Year 2022 Profit Distribution Plan or Capital Reserve Conversion

Applicable Not Applicable

Stock dividend (share) for every 10 shares	0
Cash Dividend (RMB) for every 10 shares (including tax)	4.24
Total share capital (share)	863,214,000
Total cash dividend distribution amounts (RMB) (including tax)	366,002,736
Amount of cash dividend (RMB) in other ways (e.g. repurchase of shares)	0
Total cash dividend amounts (RMB) (including other ways)	366,002,736
Distributable profit (RMB)	7,123,038,093
Total cash dividends (including other ways) as a proportion of total profit distribution	100%
Cash dividend status	
If the development stage of the Company is not easy to distinguish but there are major fund expenditure arrangements, the minimum proportion of cash dividends in this profit distribution shall reach 20% when the profit distribution is carried out.	
Detailed description of profit distribution or capital reverse conversion proposal	
Proposal on year 2022 profit distribution: the Company plans to distribute a cash dividend of RMB 4.24 (including tax) for every 10 shares held. Based on the total share capital of 863,214,000 shares as of December 31, 2022, the total cash dividend distribution amounts shall be RMB 366,002,736. The cash dividend on B share shall be paid in Hong Kong Dollars and converted at the middle rate of the HK dollar's exchange rate against RMB quoted by the People's Bank of China on the first working day following the relevant resolution adopted by the Company's Annual Shareholders' Meeting. The Board decided not to convert the capital reserve to the share capital this time. The proposal is subject to the approval of the Company's 2022 annual shareholders' meeting.	

11. Implementation of Equity Incentive Plan, Employee Stock Ownership Plan and Other Employee Incentive Method

Applicable Not Applicable

There was neither equity incentive plan or ESOP, nor other employee incentive method during the reporting period.

12. Internal control system construction and implementation during the reporting period

(1) Internal control construction and implementation

According to the requirements of the Basic Standard for Enterprise Internal Control (C-SOX) along with its Application Guidelines and Internal Control Guidelines for Public Companies listed on the Shenzhen Stock Exchange jointly issued by the Ministry of Finance and China Security Regulation Commission, the Company has established a set of sound and effective internal control system, and at the same time, combined with the internal and external environment, internal institutions and management requirements, so as to make the internal control system design scientific, simple, applicable and effective operation.

The Company has reasonably planned the organizational structure, and established a control structure with the full participation of the Audit Committee, Executive Committee, senior management and business level under the leadership of the Board of Directors. The Audit Committee has an audit department, which supervises and evaluates the operation of the Company's internal control system through internal audit.

Through the operation, analysis and evaluation of the internal control system, the Company has effectively prevented the risks in the operation and management, and promoted the realization of the internal control objectives.

This year, the Company's internal control can cover the main aspects of the Company's operation and management without major omissions; the units, businesses and matters and high-risk areas included in the evaluation scope cover the main aspects of the Company's operation and management without major omissions.

(2) Major defect of internal control in the reporting period

Yes No

13. The Company's management control over the subsidiaries during the reporting period

Applicable Not Applicable

During the reporting period, the Company has not purchased new subsidiaries.

14. Internal Control Self-Assessment Report or Internal Control Audit Report

(1) Internal Control Self-Assessment Report

Issuance date	March 30, 2023	
Index	www.cninfo.com.cn	
Total value of assets of the entities in scope counts as % of that disclosed in the consolidated financial statements	100.00%	
Total value of operating revenue of the entities in scope counts as % of that disclosed in the consolidated financial statements	100.00%	
Deficiency Determination Criteria		
Type	Type	Type
Qualitative Criteria	Material Weakness: An error that	Material Weakness: Unscientific

	<p>changes the trend of results, changes profit to loss or loss to profit Ineffective anti-fraud process or any fraud involving senior management Ineffective control over accounting policies Ineffective oversight by the Audit Committee Significant Deficiency; Errors in management reporting systems or Corporate accounting records that could lead to incorrect management decisions; Actions inconsistent with Company values, policies and other Corporate guidelines that are likely to significantly impact cost, quality, customer satisfaction, reputation, or competitive advantage; Control issues in IT infrastructure or applications that may lead to impairment of Company operations. Any actions indicating fraud or theft that is significant in value Minor Deficiency; Any control deficiencies that do not meet the criteria for material or significant.</p>	<p>decision making process such as incorrect decisions that result in unsuccessful mergers and acquisitions; Major regulatory compliance issues; Frequent media reports harmful to the Company's reputation; A lack of control within key business processes or systematic breakdown of control policies</p> <p>Material weakness identified in the self-assessment without any action plan implemented Significant Deficiency; control deficiency, or combination of control deficiencies, that does not meet the criteria for material weakness but deserves the concerns of the Audit Committee and the Board of Directors. Minor Deficiency Any control deficiencies that do not meet the criteria for material or significant.</p>
<p>Quantitative Criteria</p>	<p>Material Weakness Misstatement in the Income Statement is more than 5% of the annual profit before taxation; Misclassification in the Income Statement is more than 0.4% of the annual sales revenue Adjustment of net assets in the Balance Sheet is more than 1% of the shareholders' equity Adjustment of asset or liability in the Balance Sheet is more than 0.6% of the total assets; Adjustment in the Cash Flow Statement is more than 3% of the total net cash flow in the operating activities. Significant Deficiency Misstatement in the Income Statement is more than 2.5% of the annual profit before taxation; Misclassification in the Income Statement is more than 0.2% of the annual sales revenue; Adjustment of</p>	<p>Please refer to internal control deficiency over financial reporting for the criteria for non-financial reporting internal control.</p>

	net assets in the Balance Sheet is more than 0.5% of the Shareholders' equity; Adjustment of asset or liability in the Balance Sheet is more than 0.3% of the Total assets; Adjustment in the Cash Flow Statement is more than 1.5% of the total net cash flow from the operating activities. Minor Deficiency All the deficiencies that do not meet the quantitative criteria for significant.	
Number of Material Weakness in financial report		0
Number of Material Weakness in non-financial report		0
Number of Significant Deficiency in financial report		0
Number of Significant Deficiency in non-financial report		0

(2). Internal Control Audit Report

Applicable Not Applicable

Opinions in the Internal Control Audit Report	
The comments in the Internal Control Audit Report issued by PWC Zhongtian Accountants (special general partnership) are as follows: On December 31, 2022, JMC maintained effective internal control of financial reporting in all major aspects in accordance with the Basic Code for Enterprise Internal Control and relevant provisions.	
Disclosure of Internal Control Audit Report	Disclosed
Issuance Date	March 30, 2023
Index	www.cninfo.com.cn
Type of Opinion	Standard and unqualified opinions
Major Defect Regarding Non-financial Report or no	No

Abnormal opinion issued by the accounting firm

Yes No

Whether the Opinion issued by the accounting firm keeps the same with that of self-assessment report made by the Board?

Yes No

15.Situation of Problem Rectification for the self-inspection of the special action for the governance of listed companies

According to the deployment of the China Securities Regulatory Commission, in 2021, the Company organized the self-inspection of the special action for the governance of listed companies. After self-inspection, the Company did not find any situation that needs to be rectified.

Chapter V Environment and Social Responsibilities

1. Major Environmental issues

(1) Environmental protection

Whether the Company and affiliates is the key pollution discharge unit published by environmental protection administration?

Yes No

Environmental protection related policies and industry standards

In the process of production and operation, the Company strictly abides by the Environmental Protection Law, Air Pollution Prevention and Control Law, Water Pollution Prevention and Control Law, Solid Waste Pollution Prevention and Control Law, Environmental Impact Assessment Law and industry standards and other laws and regulations related to environmental protection. Through the implementation of ISO14001 environmental management system and Ford Environmental operating system, the Company firmly establishes the belief that quality and environmental protection are equal, strictly complies with environmental laws and regulations, constantly reduces the environmental pollution and resource loss in the manufacturing process, avoids environmental accidents, and continuously improves environmental behavior.

Situation of administrative permit for environmental protection

In the process of environmental operation control, the Company takes the initiative to analyze and foresee the current and future hidden worries, actively takes preventive measures, and makes targeted countermeasures to implement improvements. In terms of new construction, expansion and reconstruction projects, the Company should make comprehensive environmental protection planning and "three simultaneous" assessment, and always implement the concept of energy saving and low carbon from the design source. The Company apply for Cast Plant pollutant discharge permit in 2020, valid until June 2023; Apply for Fushan Plant pollutant discharge permit in 2021, valid until 2024; Re-apply for Xiaolan Plant pollutant discharge permit in 2022, valid until 2027; Apply for Axle Plant pollutant discharge permit in 2022, valid until 2027.

Name of company or subsidiary	JMC	JMC
Kind of principal pollutant and specific pollutant	Wastewater discharge pollutant	Exhaust emission pollutant
Name of principal pollutant and specific pollutant	Wastewater (COD, NH-N)	Exhaust gas (SO ₂ , NO _x , smoke, toluol, xylene)
Mode of discharge	Continuous discharge	Continuous discharge
Number of discharge outlet	4	146
Distribution of discharge outlet	1 in Fushan Site, 1 in Xiaolan Site, 1 in Cast Plant and 1 in Axle Plant	33 in Fushan Site, 78 in Xiaolan Site, 32 in Cast Plant and 3 in Axle Plant
Discharge concentration	"COD: 61mg/L NH-N: 2.73mg/L	NO _x : 74mg/m ³ ; NMHC: 0.97mg/m ³

Applicable standard for pollutant discharge	Gan EIA [2015] No. 144	<i>Emission Standards for Atmospheric Pollutants from Boilers</i> (GB13271-2014) <i>Volatile Organic Compounds Emission Standards - Part 5: Auto Manufacturing</i> (DB36/1101.5-2019)
Total amount of discharge	COD: 47.01t; NH-N: 4.07t	NO _x : 3.76t
Total amount of discharge audited	COD≤517.39t; NH-N≤24.795t	NO _x ≤5.879t
Excessive discharge	Meet Standard	Meet Standard

Treatment of pollutants

The Company built a number of zeolite roller +RTO VOCs treatment facilities to collect and dispose of waste gas in Paintshop. The concentration adsorption device of zeolite roller utilizes absorption and desorption procedures in three continuous temperature change process of adsorption - concentration - desorption, so that the organic waste gas with low concentration and large air volume can be concentrated into concentrated gas with high concentration and small air volume. RTO, also known as Regenerative Thermal Oxidizer, oxidizes organic waste gas into CO₂ and H₂O at high temperature (≥760°C), so as to purify waste gas and recycle the heat released during decomposition to realize both environmental protection and energy saving. The VOCs emission of unit painting in Xiaolan Plant is 9.57g, down 70% year on year. VOCs emission decreased by around 700 tons annually.

In 2022, the Company upgraded wastewater treatment and aeration system in Xiaolan Plant, thus improving biochemical water quality standards and sludge filtration system capacity. The concentration of COD pollutants in the connected government platform was reduced from 300mg/l before the project optimization to less than 50mg/l, which was far lower than the emission limit of 500mg/l required by the regulations. It was ensured that 100% of the Company's annual sewage discharge satisfy the criteria. The Company also constructed standardized online monitoring rooms, special rooms, equipped with monitoring, air conditioning, water supply and other supporting facilities, so as to become a pilot of government's environmental inspection while meeting the requirements of regulations.

Emergency plan on emergency environmental incidents

In order to dilute or prevent environmental risks, JMC established an emergency preparation and response procedure and specific environmental emergency plans, so as to formulate corresponding control methods for potential accidents and emergencies occurred or that may probably occur, and has been filed with the environmental protection bureau. JMC organize various emergency drills to the effectiveness of the plan.

Environmental self-monitoring scheme

JMC carries out self-monitoring in strict accordance with the *Method for Self-*

monitoring and Information Disclosure of State Key Monitoring Enterprises (Trial). Its self-monitoring schemes, monitoring results and annual monitoring reports on pollution sources were disclosed on the “Jiangxi Province pollution source enterprise portal system” and “National pollution source monitoring information management and sharing platform”.

Relevant information of investment in environmental governance and protection and payment of environmental protection tax

The Company has invested more than RMB 60 million to build five wastewater treatment stations, including Fushan Wastewater Treatment Station and Xiaolan Wastewater Treatment Station, with a treatment capacity of 5,000 tons/day, and the treated wastewater has reached the national discharge standard steadily. In order to ensure the standard of exhaust emissions, the Company has been taking new measures over the years. In 2021, Fushan Plant invested RMB 20 million to install zeolite wheel +RTO disposal facility, which uses heating and high temperature combustion technology to react and decompose organic pollutants into harmless waste gas, so as to achieve the purpose of air purification. In 2022, the Company spend RMB 30 million on environmental management and operation, and pay Environmental protection tax of RMB 220 thousand.

Measures and effects taken to reduce carbon emissions during the reporting period

Applicable Not Applicable

JMC has been adhering to green development principle to provide green, energy-saving and environment-protection automobiles and responding to national “double carbon” target, leading low carbon actions. Photovoltaic power generation shelters were built above Xiaolan, Fushan and 600mu vehicle parking lot and employees’ parking lots. Annual power generation is 64 million kilowatt hours. Saving 19,850 tons of standard coal per year; Reduce CO₂ emissions by 52,122 tons/year; Reduce SO₂ emissions by 1920 tons/year; Reduce NO_x emissions by 960 tons/year. In the process of product manufacturing, energy consumption is reduced by optimizing production scheduling, balancing production, optimizing process, transforming energy-saving technology, advocating green office and other measures. In 2022, the Company's comprehensive energy consumption per million output value decreased by 12% compared with 2021; The comprehensive energy consumption of the Company's single vehicle decreased by nearly 5% compared with 2021.

Administrative punishment for environmental problems during the reporting period
None.

Other environmental information that should be disclosed
None.

Other environmental protection related information
None.

2. Corporation Social Responsibilities

JMC 2022 Corporation Social Responsibilities Report has been published on the website: www.cninfo.com.cn. on the same day with the Annual Report.

3. The consolidation and expansion of poverty alleviation achievements and rural revitalization

The Company has thoroughly implemented the decision and arrangement of the CPC Central Committee on consolidating and expanding the achievements of poverty alleviation and comprehensively promoting rural revitalization. According to the arrangement of Jiangxi Provincial Party Committee and provincial government and with the support of JMCG, the Company has participated in the designated assistance work of Xianting Village, Songhu Town, Xinjian District, Nanchang City, Jiangxi Province.

In 2022, by convening a meeting of village representatives and visiting farmers on site, and combining industrial structure and unique projects of Xianting Village, the team created a five-year support plan featuring the development of “three gardens” (1,000 mu of oilseed rape garden, 100 mu of water chestnut garden and 100 mu of allium garden), so as to comprehensively improve the profitability of industries and promote income growth, promote industrial revival of the village, and enhance the driving force of rural revitalization. With the joint efforts of JMCG and the two committees of the village, Xianting Village has obtained two indicators for the construction of common rich model villages. The main entrance roads of the village have been fully hardened, the drainage system has been perfected, the corridor of village folk culture has been built, and 16 dilapidated old buildings have been demolished, over 4000 square meters of ground has been levelled, the infrastructure has been significantly improved, and the village appearance has been further promoted.

In 2022, JMC donated RMB 2 million to China Rural Development Foundation to implement the “Jiangling Xiqiao Project”, with 5 convenient bridges constructed in Jiangxi and Hunan province. By the end of 2022, JMC has invested a total of RMB 36.6 million to build 422 bridges in 25 provinces (municipalities and autonomous regions). JMC, which cares for children and assists rural revitalization, has donated 30 computers to the village committee of Luoyang Village, Dafen Town, Suichuan County, Jiangxi Province.

The Company won the honor of “2022 Poverty Alleviation Model” and “2022 Corporate Social Responsibility Industry Model” in the 12th China Public Welfare Festival, and was awarded the “Outstanding Contribution Award for Helping Poverty Alleviation” by China Rural Development Foundation (formerly China Foundation for Poverty Alleviation).

Chapter VI Major events

1. Commitments

(1) Commitments of actual controlling parties, shareholders, related parties, acquirers and the Company finished in the reporting period or overdue unfinished by the end of the reporting period

Applicable Not Applicable

There is no commitment of actual controlling parties, shareholders, related parties, acquirers and the Company finished in the reporting period or overdue unfinished by the end of the reporting period.

(2) Earnings forecast of the assets or project and the explanations

Applicable Not Applicable

2. 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.

3. Illegal outside guarantee

Applicable Not Applicable

The Company had no illegal outside guarantee during the reporting period.

4. The Board's explanation of the situation related to the latest "non-standard audit Report"

Applicable Not Applicable

5. Explanation of the Board of Directors, Supervisory Board and Independent Directors to abnormal opinions from accounting firm

Applicable Not Applicable

6. Description of changes in accounting policies, accounting estimates, or correction of major accounting errors compared to the financial report of the previous year

Applicable Not Applicable

There was no change in accounting policies, accounting estimates, and nor correction of major accounting errors during the reporting period.

7. Description of changes in the scope of consolidated statements as compared with the financial statements of the previous year

Applicable Not Applicable

There was no change in the scope of the consolidated statements during the reporting period.

8. Appointment or Dismissal of Accounting Firm

Current appointed accounting firm

Name	PricewaterhouseCoopers Zhong Tian LLP
Compensation (RMB'000)	1,840
Consecutive years offering audit services	21
Names of signed accountants	Ye Jun, Xiao Minjie

Dismissal of accounting firm

Applicable Not Applicable

Appointment of C-SOX auditor, financial consultant or sponsor

Applicable Not Applicable

Upon the approval of 2020 Annual Shareholders' Meeting, JMC appointed PricewaterhouseCoopers Zhong Tian LLP as JMC's 2022 to 2024 C-SOX auditor. In 2022, JMC paid RMB 440 thousand to PricewaterhouseCoopers Zhong Tian LLP for the C-SOX audit.

9. Suspension and Termination of Listing after Annual Report Disclosed

Applicable Not Applicable

10. Related Matters regarding Bankruptcy

Applicable Not Applicable

There was no matter involving bankruptcy during the reporting period.

11. Major Litigation or Arbitration

Applicable Not Applicable

There was no major litigation or arbitration during the reporting period.

12. Punishment

Applicable Not Applicable

Neither JMC nor its Directors or senior management were punished by regulatory authorities during the reporting period.

13. Honesty and credit of JMC and its controlling shareholder or actual controlling party

Applicable Not Applicable

14. Major Related Transactions

(1) Routine related party transactions

Please refer to the Note 7 related party transactions of the notes to the consolidated financial statements in the Chapter X Financial Statements for details.

(2) Major related party transaction concerning transfer of assets or equity

Applicable Not Applicable

There was no major related party transaction concerning transfer of assets or equity in the reporting period.

(3) Related party transaction concerning outside co-investment

Applicable Not Applicable

(4) Related credit and debt

Applicable Not Applicable

Is there non-operating related credit and debt?

Yes No

The Company had no non-operating related credit and debt in the reporting period.

5. Transaction with related financial companies or financial companies that the company holds

Applicable Not Applicable

Deposit business

Related party	The related relationship	Maximum daily deposit limit	Deposit rate	Balance at the beginning of the period(RMB thousands)	Current amount		Balance at the end of the period (RMB thousands)
					Deposit amount (RMB thousands)	Take out the amount (RMB thousands)	
JMCG Finance Company	Subsidiary of JMCG	*	1.725%-2.25%	1,059,580	13,280,440	13,453,780	886,240

* Note: JMC applies the consolidated deposit limit in JMCG Finance Company at the end of each month to the lower of the following: 1) 25% of JMCG Finance Company absorbing deposit in prior year end; or 2) 12% of JMC's consolidated total cash reserve.

Loan business

Related party	The related relationship	loan limit (RMB thousands)	Loan rate range	Balance at the beginning of the period (RMB thousands)	Current amount		Balance at the end of the period (RMB thousands)
					Loan amount (RMB thousands)	Repayment amount (RMB thousands)	
JMCG Finance Company	Subsidiary of JMCG	1,000,000	2.5%	0	200,000	0	200,000

Granting credit or other financial business

Related party	The related relationship	Type of business	Total (RMB thousands)	Actual amount (RMB thousands)
JMCG Finance Company	Subsidiary of JMCG	Granting credit	1,300,000	340,330

6. The transactions between the financial company controlled by the company and its related parties

Applicable Not Applicable

The Company has no controlling financial company.

(7) Other major related party transactions

Applicable Not Applicable

Please refer to the Note 7 related party transactions of the notes to the consolidated financial statements for details.

The announcement on Related Party Transactions

Name	Disclosure Date	Website for Disclosure
Public Announcement on the 2023 Forecast Routine Related Party Transactions	2022.12.13	www.cninfo.com.cn.

15. Major Contracts and Execution

(1) Entrustment, contract or lease

a. Entrustment

Applicable Not Applicable

There was no entrustment in the reporting period.

b. Contract

Applicable Not Applicable

There was no contract in the reporting period.

c. Lease

Applicable Not Applicable

Please refer to the Note 4 (16), note 4 (29) and note 7 (5) (b) of the financial statements in the Chapter X Financial Statements for detail.

Project of which the profit and loss brought for the company reaches more than 10% of the total profit of the company during the reporting period

Applicable Not Applicable

There was no leasing project of which the profit and loss brought for the Company reached more than 10% of the total profit of the Company during the reporting period.

(2) Major guarantee

Applicable Not Applicable

The Company had no outside guarantee in the reporting period.

(3) Entrustment on cash asset management

a. Trust investment

Applicable Not Applicable

There was no trust investment in the reporting period.

b. Entrusted loan

Applicable Not Applicable

There was no entrusted loan in the reporting period.

(4) Other major contract

Applicable Not Applicable

There was no other major contract in the reporting period.

16. Other Major Events

Applicable Not Applicable

In 2022, the Company received government incentives of approximate RMB 907 million appropriated from Nanchang City, Nanchang Xiaolan Economic and Technological Development Zone, which is to support the daily operation and development of the Company.

17. Major event of JMC subsidiary

Applicable Not Applicable

In January 2021, the Shareholders' Meeting of JMC approved to increase the capital by RMB 1.142 billion in cash to JMC Heavy Duty Vehicle Co., Ltd. Upon completion of the capital increase, the registered capital of JMC Heavy Duty Vehicle Co., Ltd. was increased from RMB 181,793,174 to RMB 1,323,793,174. In May 2021, the Shareholders' Meeting of JMC approved to sell 100% of the equity of JMC Heavy Duty Vehicle Co., Ltd. through the public bidding process at Shanxi Property Rights Exchange. At the expiration of the bidding announcement period, the above subject matter is solicited to an intended transferee, Volvo Lastvagnar Aktiebolag. On August 23, 2021, by consensus, the Company signed the Equity Interest Transfer Agreement Relating to 100% of the Equity Interests in JMC Heavy Duty Vehicle Co., Ltd. with Volvo Lastvagnar Aktiebolag. As of the date of disclosure of the report, the relevant transaction between the Company and Volvo Lastvagnar Aktiebolag is still in progress.

Chapter VII

Share Capital Changes & Shareholders

1. Changes of shareholding structure

I. Table of the changes of shareholding structure

	Before the change		Change (+, -)					After the change	
	Shares	Proportion of total shares (%)	New shares	Bonus Shares	Reserve-converted shares	Others	Subtotal	Shares	Proportion of total shares (%)
I. Limited tradable A shares	750,840	0.09%						750,840	0.09%
1. Other domestic shares	750,840	0.09%						750,840	0.09%
Including:									
Domestic legal person shares	745,140	0.09%						745,140	0.09%
Domestic natural person shares	5,700	0.00%						5,700	0.00%
II. Unlimited tradable shares	862,463,160	99.91%						862,463,160	99.91%
1. A shares	518,463,160	60.06%						518,463,160	60.06%
2. B shares	344,000,000	39.85%						344,000,000	39.85%
III. Total	863,214,000	100.00%						863,214,000	100.00%

Causes of shareholding changes

Applicable Not Applicable

Approval of changes of shareholding structure

Applicable Not Applicable

Shares Transfer

Applicable Not Applicable

Impact on accounting data, such as the latest EPS, diluted EPS, shareholders' equity attributable to the equity holders of the Company, generated from shares transfer

Applicable Not Applicable

Others to be disclosed necessarily or per the requirements of securities regulator

Applicable Not Applicable

II. Changes of limited A shares

Applicable Not Applicable

2. Securities Issuance and Listing

I. Securities issuance (not including preferred shares) in the reporting period

Applicable Not Applicable

II. Explanation on changes of shares, shareholding structure, assets and liabilities structure

Applicable Not Applicable

III. Current staff shares

Applicable Not Applicable

3. Shareholders and actual controlling parties

I. Total shareholders, top ten shareholders, and top ten shareholders holding unlimited tradable shares

Total shareholders as of the end of the reporting period	JMC had 49,715 shareholders, including 44,030 A-share holders, and 5,685 B-share holders, as of December 31, 2022.					
Total shareholders as of the last month-end prior to the disclosure date of the Report	JMC had 44,104 shareholders, including 38,404 A-share holders, and 5,700 B-share holders, as of February 28, 2023.					
Top ten shareholders						
Shareholder Name	Shareholder Type	Shareholding Percentage (%)	Shares at the End of Year	Change (+,-)	Shares with Trading Restriction	Shares due to mortgage or mark or frozen
Nanchang Jiangling Investment Co., Ltd.	State-owned legal person	41.03%	354,176,000	0	0	0
FORD MOTOR COMPANY	Foreign legal person	32.00%	276,228,394	0	0	0
Shanghai Automotive Co., Ltd.	State-owned legal person	1.51%	13,019,610	0	0	0
Jin Xin	Domestic Natural Person	0.71%	6,106,200	1,487,064	0	0
Hong Kong Central Clearing Limited	Foreign legal person	0.64%	5,498,732	1,074,854	0	0
GAOLING FUND, L.P.	Foreign legal person	0.63%	5,453,086	0	0	0
INVESCO FUNDS SICAV	Foreign legal person	0.44%	3,818,089	-636,755	0	0
BARCLAYS BANK PLC	Foreign legal person	0.36%	3,137,070	3,137,070	0	0
Li Yifeng	Domestic Natural Person	0.31%	2,653,600	-242,426	0	0
LSV EMERGING MARKETS EQUITY FUND, L.P.	Foreign legal person	0.23%	1,961,600	0	0	0
Strategic investors or general legal persons become the top 10 shareholders due to the placement of new shares	None.					
Notes on association among above-mentioned shareholders	None.					
Description of the above shareholders' entrusted / entrusted voting rights and waived voting rights	None.					
A special description of the special repurchase account among the top 10 shareholders	None.					
Top ten shareholders holding unlimited tradable shares						
Shareholder Name	Shares without Trading Restriction		Share Type			
Nanchang Jiangling Investment Co., Ltd.	354,176,000		A share			
FORD MOTOR COMPANY	276,228,394		B share			
Shanghai Automotive Co., Ltd.	13,019,610		A share			
Jin Xin	6,106,200		B share			
Hong Kong Central Clearing Limited	5,498,732		A share			
GAOLING FUND, L.P.	5,453,086		B share			
INVESCO FUNDS SICAV	3,818,089		B share			
BARCLAYS BANK PLC	3,137,070		A share			
Li Yifeng	2,653,600		B share			
LSV EMERGING MARKETS EQUITY	1,961,600		B share			

FUND, L.P.	
The top 10 shareholders to sell circulated shares, and the infinite tradable relationship between shareholders and top 10 shareholders or concerted action	None.
Notes on association among above-mentioned shareholders	None.

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

Applicable Not Applicable

The top 10 common shareholders of the Company and the top 10 common shareholders with unlimited conditions of sale did not conduct agreed repurchase transactions during the reporting period.

II. Controlling Shareholders

Nature of controlling shareholders: Central/Local government holdings, foreign holdings

Type: Legal person

Name	Legal representative	Established Date	Organization code	Main scope of business
Nanchang Jiangling Investment Co., Ltd.	Qiu Tiangao	May 28, 2019	91360125MA38LUR91F	investment management, industrial investment, asset management and other business.
Ford Motor Company	William Clay Ford, Jr.	January 1, 1903		to design, manufacture, market, and service a full line of Ford cars, trucks, sport utility vehicles ("SUVs"), electrified vehicles, and Lincoln luxury vehicles, provide financial services through Ford Motor Credit Company LLC, and be pursuing leadership positions in electrification, autonomous vehicles, and mobility solutions.
Equity status of other listed companies in domestic and abroad market controlled and participated by the controlling shareholders during the reporting period				None

Change of controlling shareholders

Applicable Not Applicable

The controlling shareholders of the Company did not change during the reporting period.

III. Actual Controlling Parties

Nature of controlling shareholders: Central/Local State-owned Assets Supervision and Administration

Type: Legal person

Name	Legal representative	Established Date	Organization code	Main scope of business
JMCG	Qiu Tiangao	July 27, 1991	91360000158263759R	manufacturing of automobiles, engines, chassis, specialty vehicle, transmission, other products, automotive quality testing, sales of self-produced products and raw

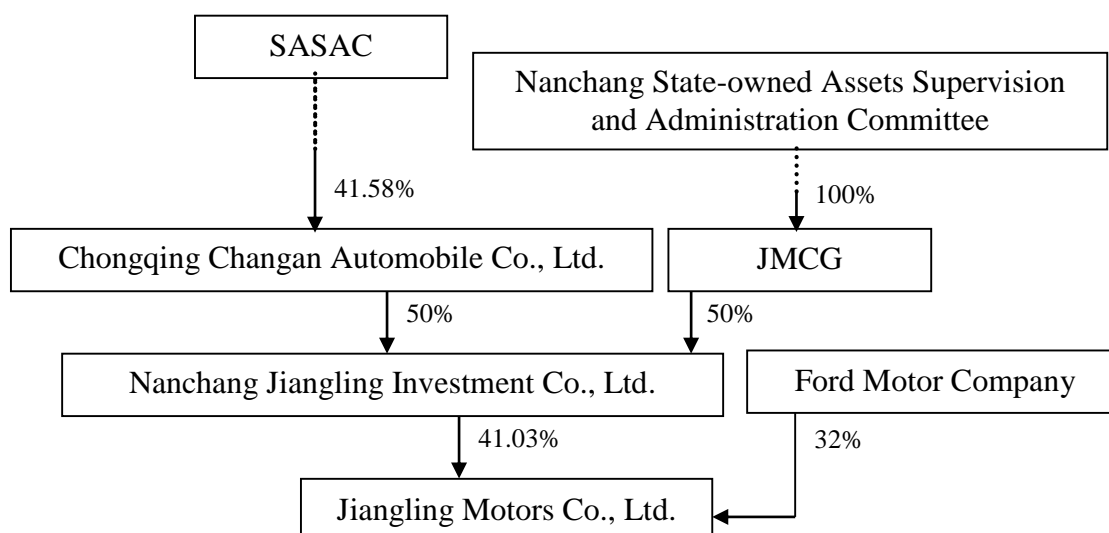
				materials, equipment, electronic products, parts and others, as well as related after-sales services and maintenance services; development of products derived from JMC brand light vehicle; overseas auto project-contracting, export equipment, material and related labour services.
Chongqing Changan Automobile Co., Ltd.	Zhu Huarong	October 31, 1996	9150000020286320X6	development, manufacturing, sales, import & export business of auto (including sedan), engine, automotive components, die, tools, installation of machinery, technological consultant services.
Equity status of listed companies in domestic and aboard market controlled by the actual controlling parties during the reporting period				None

Change of actual controlling parties

Applicable Not Applicable

There was no change of actual controlling parties in the reporting period.

Ownership and control relations between the Company and the actual controlling parties are shown as follows:



Actual controlling parties control the Company by the way of trust or other assets management

Applicable Not Applicable

IV. The cumulative number of shares pledged by the controlling shareholder or the largest shareholder and its acting partners accounts for 80% of the number of shares held by them.

Applicable Not Applicable

V. Other legal person shareholder holding more than 10% of total equity of the Company

Applicable Not Applicable

VI Shareholding reducing restriction to controlling shareholders, actual controlling parties, restructuring parties and other commitment-making entities

Applicable Not Applicable

4.The specific implementation of share repurchase during the reporting period

The implementation progress of share repurchase

Applicable Not Applicable

The implementation progress of the reduction of the shares repurchase through centralized bidding

Applicable Not Applicable

Chapter VIII Preferred Shares

Applicable Not Applicable

JMC had no preferred shares in the reporting period.

Chapter IX Bond related Information

Applicable Not Applicable

Chapter X Financial Statements

Type of Audit Report	Standard and Unqualified Opinion
Signature date	March 28, 2023
Name of Auditor	PricewaterhouseCoopers Zhong Tian LLP
Document No. of Audit Report	PwC ZT Shen Zi (2023) No. 10080

[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2023) No. 10080
(Page 1 of 5)

To the shareholders of Jiangling Motors Corporation, Ltd.,

Opinion

What we have audited

We have audited the accompanying financial statements of Jiangling Motors Corporation, Ltd. (hereinafter "Jiangling Motors"), which comprise:

- the consolidated and company balance sheets as at 31 December 2022;
- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in shareholder's equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Jiangling Motors as at 31 December 2022, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Jiangling Motors in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit is Expenditures on research and development.

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Expenditures on research and development</p> <p>Please refer to Note 2(14)(e) and Note 4(17) to the financial statements.</p> <p>The amount of expenditures on research and development was RMB2,018,500,532 during the year ended 31 December 2022, of which RMB535,170,902 was capitalised. As of 31 December 2022, the balance of development expenditures amounted to RMB477,233,877.</p> <p>We identified the expenditures on research and development as key audit matter due to the significant amount of expenditure of research and development incurred, a portion of which being capitalised and the fact that there is significant management's judgment involved in assessing whether the criteria of capitalisation have been met, particularly included:</p> <ul style="list-style-type: none"> • Technical feasibility of the project • Likelihood of the generating of sufficient future economic benefits • Timing of the capitalisation 	<p>The audit procedures we performed on expenditures on research and development included:</p> <p>We understood, evaluated, and tested the internal controls related to the expenditures on research and development.</p> <p>We obtained the breakdown of expenditures of research and development by project and traced them to the amounts of research and development expenses incurred and the amounts capitalised recorded in the general ledger.</p> <p>We performed the following tests on a sample basis:</p> <ul style="list-style-type: none"> • We obtained the details of expenses by nature on selected projects and inspected the supporting documents such as contracts and invoices. • We understood the cost allocation method of the research and development for each project, reviewed the process of the collection and allocation of indirect expenses, and verified the reasonableness the indirect expenses attributable to relevant projects, including employment costs and depreciation expenses. • We compared the recorded research and development costs of the projects to their budgets, and confirmed the progress of the project by interviewing with the project managers. • For projects which development expenditures capitalised, we understood the criteria of capitalisation and the timing of capitalisation determined by management; we interviewed the project managers and reviewed the verification reports and meeting minutes at different stages to further confirm the reasonableness of the judgment of the management; we assessed the technical feasibility of the development project and the likelihood of the generating of sufficient future economic benefits by considering the market information and the Company's successful development experience in the past. <p>Based on the audit procedures performed, the audit evidence we obtained supports the recognition of the expenditures of research and development and management's judgment on capitalisation of the related development expenditures.</p>

Other Information

Management of Jiangling Motors is responsible for the other information. The other information comprises all of the information included in 2022 annual report of Jiangling Motors other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management of Jiangling Motors is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing Jiangling Motors's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate Jiangling Motors or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing Jiangling Motors's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements(Cont'd)

As part of an audit in accordance with CSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Jiangling Motors's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Jiangling Motors to cease to continue as a going concern.
- Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Jiangling Motors to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor’s Responsibilities for the Audit of the Financial Statements (Cont’d)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Zhong Tian LLP	Signing CPA	_____ Ye Jun (Engagement Partner)
Shanghai, the People’s Republic of China 28 March 2023	Signing CPA	_____ Xiao Minjie

JIANGLING MOTORS CORPORATION, LTD.

**CONSOLIDATED FINANCIAL STATEMENTS AND
REPORT OF THE AUDITORS**

31 DECEMBER 2022

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 DECEMBER 2022
 (All amounts in RMB Yuan unless otherwise stated)

Assets	Notes	31 December 2022 Consolidated	31 December 2021 Consolidated	31 December 2022 Company	31 December 2021 Company
Current assets					
Cash and cash equivalents	4(1)	8,604,977,725	9,569,051,314	6,910,646,428	7,706,280,711
Financial assets held for trading	4(2)	-	100,242,329	-	-
Derivative financial assets	4(3)	2,972,698	-	2,972,698	-
Notes receivable	4(4)	742,752,730	119,783,900	1,099,742,888	300,000,000
Accounts receivable	4(5)、 14(1)	4,245,541,752	2,994,798,227	2,368,898,327	1,409,320,240
Financing receivables	4(6)	376,662,817	201,511,670	56,868,760	13,725,275
Advances to suppliers	4(7)	277,743,526	497,302,198	277,278,672	496,546,531
Other receivables	4(8)、 14(2)	111,063,372	399,983,736	128,855,851	400,787,837
Inventories	4(9)	2,129,040,820	1,974,728,632	2,129,040,820	1,974,728,632
Current portion of non-current assets	4(11)	13,851,634	13,236,153	13,851,634	13,236,153
Other current assets	4(10)	1,362,502,624	984,174,056	1,310,164,197	881,324,652
Total current assets		17,867,109,698	16,854,812,215	14,298,320,275	13,195,950,031
Non-current assets					
Long-term receivables	4(12)	31,148,044	44,952,638	31,148,044	44,952,638
Long-term equity investments	4(13)、 14(3)	248,482,822	257,251,255	1,146,033,812	1,103,802,245
Fixed assets	4(14)	5,446,384,369	6,029,302,031	4,961,529,936	5,497,170,652
Construction in progress	4(15)	718,612,190	448,338,672	688,385,553	448,112,420
Right-of-use assets	4(16)	233,622,890	306,225,810	232,666,362	304,449,400
Intangible assets	4(17)	1,195,005,752	1,073,881,961	971,966,227	844,988,965
Development expenditures	4(17)	477,233,877	111,004,350	477,233,877	111,004,350
Deferred tax assets	4(18)	1,250,722,193	1,233,315,188	235,320,874	285,288,625
Total non-current assets		9,601,212,137	9,504,271,905	8,744,284,685	8,639,769,295
TOTAL ASSETS		27,468,321,835	26,359,084,120	23,042,604,960	21,835,719,326

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS (CONT'D) AS AT 31 DECEMBER 2022
(All amounts in RMB Yuan unless otherwise stated))

Liabilities and equity	Notes	31 December 2022 Consolidated	31 December 2021 Consolidated	31 December 2022 Company	31 December 2021 Company
Current liabilities					
Short-term borrowings	4(20)	1,100,000,000	300,000,000	1,100,000,000	300,000,000
Derivative financial liabilities	4(3)	-	10,704,619	-	10,704,619
Accounts payable	4(21)	9,015,978,354	9,702,584,830	9,015,584,820	9,702,584,830
Contract liabilities	4(22)	152,065,025	272,274,177	1,011,195	67,392,485
Employee benefits payable	4(23)	915,703,680	766,986,525	824,364,157	690,921,936
Taxes payable	4(24)	193,249,604	287,171,720	110,894,972	111,626,950
Other payables	4(25)	5,672,708,511	5,253,800,805	2,418,186,421	1,985,838,271
Current portion of non-current liabilities	4(26)	72,680,756	78,039,188	71,491,054	76,893,591
Other current liabilities	4(27)	386,889,542	420,456,813	29,814,619	35,663,765
Total current liabilities		17,509,275,472	17,092,018,677	13,571,347,238	12,981,626,447
Non-current liabilities					
Long-term borrowings	4(28)	20,858,057	2,087,537	20,858,057	2,087,537
Lease liabilities	4(29)	193,090,351	263,409,414	192,887,339	262,016,700
Provisions	4(30)	250,762,589	197,587,164	-	-
Deferred income	4(31)	60,849,643	49,074,545	60,849,643	49,074,545
Long-term employee benefits payable	4(32)	51,293,000	55,684,000	51,067,000	55,370,000
Deferred tax liabilities	4(18)	23,305,359	24,000,545	-	-
Other non-current liabilities	4(33)	118,240,580	119,777,649	-	108,673,373
Total non-current liabilities		718,399,579	711,620,854	325,662,039	477,222,155
Total liabilities		18,227,675,051	17,803,639,531	13,897,009,277	13,458,848,602
Equity					
Share capital	4(34)	863,214,000	863,214,000	863,214,000	863,214,000
Capital surplus	4(35)	839,442,490	839,442,490	839,442,490	839,442,490
Other comprehensive income	4(36)	(13,484,250)	(16,422,750)	(13,844,250)	(16,684,500)
Surplus reserve	4(37)	431,607,000	431,607,000	431,607,000	431,607,000
Retained earnings	4(38)	7,123,038,093	6,437,603,849	7,025,176,443	6,259,291,734
Total equity attributable to shareholders of the Company		9,243,817,333	8,555,444,589	9,145,595,683	8,376,870,724
Minority interests		(3,170,549)	-	-	-
Total equity		9,240,646,784	8,555,444,589	9,145,595,683	8,376,870,724
TOTAL LIABILITIES AND EQUITY		27,468,321,835	26,359,084,120	23,042,604,960	21,835,719,326

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Ding Ni

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2022

(All amounts in RMB Yuan unless otherwise stated)

Item	Notes	2022 Consolidated	2021 Consolidated	2022 Company	2021 Company
Revenue	4(39)、14(4)	30,100,283,842	35,221,306,472	28,100,997,449	32,892,038,392
Less: Cost of sales	4(39)、4(45)、 14(4)	(25,812,264,868)	(30,117,454,367)	(25,020,438,748)	(29,110,316,368)
Taxes and surcharges	4(40)	(951,394,115)	(968,148,993)	(919,835,457)	(928,747,793)
Selling and distribution expenses	4(41)、4(45)	(1,444,894,711)	(1,531,808,043)	(171,729,499)	(247,250,188)
General and administrative expenses	4(42)、4(45)	(964,786,345)	(1,152,218,590)	(875,592,926)	(993,790,073)
Research and development expenses	4(43)、4(45)	(1,483,329,630)	(1,709,014,171)	(1,483,329,630)	(1,696,132,130)
Financial expenses	4(44)	163,907,346	295,755,557	108,526,076	212,372,641
Including: Interest expenses		(49,305,209)	(23,640,234)	(49,225,042)	(23,561,570)
Interest income		236,308,959	300,401,839	180,329,362	216,746,764
Add: Other income	4(48)	943,326,556	551,071,245	942,054,079	550,726,007
Investment income	4(49)、14(5)	(36,082,647)	(568,716)	(35,294,097)	(46,544,278)
Including: Share of profit of associates and joint ventures		(8,768,433)	(22,245,293)	(8,768,433)	(21,475,697)
Gains on changes in fair value	4(50)	13,434,988	(10,638,548)	13,677,317	(9,785,809)
Credit impairment losses	4(47)	(12,066,846)	14,328,162	5,631,231	3,505,404
Asset impairment losses	4(46)	(7,242,768)	(43,273,452)	(7,242,768)	(1,422,816,945)
Gains on disposal of assets	4(51)	391,369,117	16,977,005	391,709,115	26,312,882
Operating profit		900,259,919	566,313,561	1,049,132,142	(770,428,258)
Add: Non-operating income	4(52)	3,788,268	4,606,837	383,365	2,363,699
Less: Non-operating expenses	4(53)	(4,481,962)	(14,448,952)	(4,455,773)	(14,140,968)
Total profit		899,566,225	556,471,446	1,045,059,734	(782,205,527)
Less: Income tax expenses	4(54)	(36,687,606)	17,694,498	(49,560,101)	15,547,022
Net profit		862,878,619	574,165,944	995,499,633	(766,658,505)
Classified by continuity of operations					
Net profit from continuing operations		862,878,619	574,165,944	995,499,633	(766,658,505)
Net profit from discontinued operations		-	-	-	-
Classified by ownership of the equity					
Minority interests		(52,170,549)	-	-	-
Attributable to shareholders of the Company		915,049,168	574,165,944	995,499,633	(766,658,505)
Other comprehensive income, net of tax		2,938,500	(4,663,500)	2,840,250	(4,662,750)
Attributable to shareholders of the Company					
Other comprehensive income items which will not be reclassified to profit or loss					
Changes arising from remeasurement of defined benefit plan	4(36)	2,938,500	(4,663,500)	2,840,250	(4,662,750)
Attributable to minority interests		-	-	-	-
Total comprehensive income		865,817,119	569,502,444	998,339,883	(771,321,255)
Attributable to shareholders of the Company		917,987,668	569,502,444	998,339,883	(771,321,255)
Attributable to minority interests		(52,170,549)	-	-	-
Earnings per share					
Basic earnings per share (RMB Yuan)	4(55)	1.06	0.67	—	—
Diluted earnings per share (RMB Yuan)	4(55)	1.06	0.67	—	—

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Ding Ni

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022
(All amounts in RMB Yuan unless otherwise stated)

Item	Notes	2022 Consolidated	2021 Consolidated	2022 Company	2021 Company
Cash flows (uesd in)/generated from operating activities					
Cash received from sales of goods or rendering of services		30,379,935,542	39,004,121,378	28,500,883,020	37,770,178,605
Refunds of taxes		186,230,096	-	139,724,259	-
Cash received relating to other operating activities	4(56)	1,048,761,411	736,780,886	1,012,041,891	613,181,977
Sub-total of cash inflows		31,614,927,049	39,740,902,264	29,652,649,170	38,383,360,582
Cash paid for goods and services		(26,012,469,683)	(30,184,229,122)	(25,251,565,747)	(29,501,916,289)
Cash paid to and on behalf of employees		(2,236,265,303)	(2,621,245,572)	(2,042,877,671)	(2,458,757,584)
Payments of taxes and surcharges		(2,208,513,599)	(2,262,657,388)	(1,895,305,960)	(1,819,787,242)
Cash paid relating to other operating activities	4(56)	(2,676,252,416)	(2,912,577,172)	(1,545,847,293)	(1,742,292,716)
Sub-total of cash outflows		(33,133,501,001)	(37,980,709,254)	(30,735,596,671)	(35,522,753,831)
Net cash flows (uesd in)/generated from operating activities	4(57)	(1,518,573,952)	1,760,193,010	(1,082,947,501)	2,860,606,751
Cash flows generated uesd in investing activities					
Cash received from disposal of investments		200,000,000	2,500,000,000	-	2,142,000,000
Cash received from returns on investments		1,523,836	15,174,593	-	3,894,456
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		783,318,054	37,460,481	782,994,506	36,440,992
Cash received from disposal of subsidiaries and other business units		191,100,000	84,615,031	191,100,000	108,000,000
Cash received relating to other investing activities	4(56)	231,280,443	278,704,216	181,238,794	215,581,457
Sub-total of cash inflows		1,407,222,333	2,915,954,321	1,155,333,300	2,505,916,905
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(1,380,537,113)	(1,169,407,698)	(1,377,197,659)	(1,158,649,784)
Cash paid to acquire investments		(100,000,000)	(1,800,000,000)	(55,924,647)	(1,720,252,413)
Cash paid relating to other investing activities		(15,828,699)	(25,184,522)	(15,828,699)	(20,697,147)
Sub-total of cash outflows		(1,496,365,812)	(2,994,592,220)	(1,448,951,005)	(2,899,599,344)
Net cash flows generated uesd in investing activities		(89,143,479)	(78,637,899)	(293,617,705)	(393,682,439)
Cash flows generated from/(uesd in) financing activities					
Cash received from absorbing investments		49,000,000	-	-	-
Including: cash received by the subsidiary from absorbing minority shareholders' investment		49,000,000	-	-	-
Cash received from borrowings		4,682,667,661	1,484,497,639	4,682,667,661	1,484,497,639
Sub-total of cash inflows		4,731,667,661	1,484,497,639	4,682,667,661	1,484,497,639
Cash repayments of borrowings		(3,900,441,579)	(1,700,425,493)	(3,900,441,579)	(1,700,425,493)
Cash payments for distribution of dividends, profits or interest expenses		(230,386,002)	(3,002,467,779)	(230,386,002)	(3,002,467,779)
Cash paid relating to other financing activities	4(56)	(18,980,309)	(16,063,293)	(17,978,248)	(15,810,013)
Sub-total of cash outflows		(4,149,807,890)	(4,718,956,565)	(4,148,805,829)	(4,718,703,285)
Net cash flows generated from/(uesd in) financing activities		581,859,771	(3,234,458,926)	533,861,832	(3,234,205,646)
Effect of foreign exchange rate changes on cash and cash equivalents		-	-	-	-
Net decrease in cash and cash equivalents	4(57)	(1,025,857,660)	(1,552,903,815)	(842,703,374)	(767,281,334)
Add: Cash and cash equivalents at beginning of year	4(57)	9,569,051,314	11,121,955,129	7,706,280,711	8,473,562,045
Cash and cash equivalents at end of year	4(57)	8,543,193,654	9,569,051,314	6,863,577,337	7,706,280,711

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Ding Ni

JIANGLING MOTORS CORPORATION, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022
 (All amounts in RMB Yuan unless otherwise stated)

Item	Notes	Attributable to shareholders of the parent company					Minority interests	Total equity
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Retained earnings		
Balance at 1 January 2021		863,214,000	839,442,490	(11,759,250)	431,607,000	8,863,969,769	-	10,986,474,009
Movements for the year ended 31 December 2021		-	-	(4,663,500)	-	(2,426,365,920)	-	(2,431,029,420)
Total comprehensive income								
Net profit		-	-	-	-	574,165,944	-	574,165,944
Other comprehensive income		-	-	(4,663,500)	-	-	-	(4,663,500)
Total comprehensive income for the year		-	-	(4,663,500)	-	574,165,944	-	569,502,444
Profit distribution								
Distribution to shareholders	4(38)	-	-	-	-	(3,000,531,864)	-	(3,000,531,864)
Balance at 31 December 2021		863,214,000	839,442,490	(16,422,750)	431,607,000	6,437,603,849	-	8,555,444,589
Balance at 1 January 2022		863,214,000	839,442,490	(16,422,750)	431,607,000	6,437,603,849	-	8,555,444,589
Movements for the year ended 31 December 2022		-	-	2,938,500	-	685,434,244	(3,170,549)	685,202,195
Total comprehensive income								
Net profit/(loss)		-	-	-	-	915,049,168	(52,170,549)	862,878,619
Other comprehensive income		-	-	2,938,500	-	-	-	2,938,500
Total comprehensive income for the year		-	-	2,938,500	-	915,049,168	(52,170,549)	865,817,119
Capital contributed by owners and capital								
Capital invested by shareholders	4(38)	-	-	-	-	-	49,000,000	49,000,000
Profit distribution								
Distribution to shareholders		-	-	-	-	(229,614,924)	-	(229,614,924)
Balance at 31 December 2022		863,214,000	839,442,490	(13,484,250)	431,607,000	7,123,038,093	(3,170,549)	9,240,646,784

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Ding Ni

JIANGLING MOTORS CORPORATION, LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMB unless otherwise stated)

Item	Notes	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Retained earnings	Total equity
Balance at 1 January 2021		863,214,000	839,442,490	(12,021,750)	431,607,000	10,032,100,709	12,154,342,449
Movements for the year ended 31 December 2021		-	-	(4,662,750)	-	(3,772,808,975)	(3,777,471,725)
Total comprehensive income							
Net profit		-	-	-	-	(766,658,505)	(766,658,505)
Other comprehensive income		-	-	(4,662,750)	-	-	(4,662,750)
Total comprehensive income for the year		-	-	(4,662,750)	-	(766,658,505)	(771,321,255)
Profit distribution							
Distribution to shareholders	4(38)	-	-	-	-	(3,000,531,864)	(3,000,531,864)
Others		-	-	-	-	(5,618,606)	(5,618,606)
Balance at 31 December 2021		863,214,000	839,442,490	(16,684,500)	431,607,000	6,259,291,734	8,376,870,724
Balance at 1 January 2022		863,214,000	839,442,490	(16,684,500)	431,607,000	6,259,291,734	8,376,870,724
Movements for the year ended 31 December 2022		-	-	2,840,250	-	765,884,709	768,724,959
Total comprehensive income							
Net profit		-	-	-	-	995,499,633	995,499,633
Other comprehensive income		-	-	2,840,250	-	-	2,840,250
Total comprehensive income for the year		-	-	2,840,250	-	995,499,633	998,339,883
Profit distribution							
Distribution to shareholders	4(38)	-	-	-	-	(229,614,924)	(229,614,924)
Balance at 31 December 2022		863,214,000	839,442,490	(13,844,250)	431,607,000	7,025,176,443	9,145,595,683

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Ding Ni

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

1 General information

Jiangling Motors Corporation, Ltd. (hereinafter “the Company”) is a Sino-foreign joint stock enterprise established under the approval of Hong ban (1992) No. 005 of Nanchang Revolution and Authorisation Group of Company’s Joint Stock on the basis of Jiangxi Motors Manufacturing Factory on 16 June 1992. The registration number of the enterprise business license is No. 913600006124469438. The registered address of the Company and the address of its headquarters are both Nanchang City, Jiangxi Province of the People’s Republic of China (“the PRC”).

On 23 July 1993, with the approval of the China Securities Regulatory Commission (hereinafter “CSRC”) (Zheng Jian Fa Shen Zi [1993] No. 22) and (Zheng Jian Han Zi [1993] No. 86), the Company was listed on the Stock Exchange of Shenzhen on 1 December 1993, issuing 494,000,000 shares in total. On 8 April 1994, a total of 25,214,000 shares were distributed for the 1993 dividend distribution programme with the approval of the shareholders’ meeting and Jiangxi Securities Management Leading Group (Gan Securities [1994] No. 02). In 1995, with the approval of CSRC (Zheng Jian Fa Zi [1995] No. 144) and the Shenzhen Securities Management Office (Shenzhen Office Fu [1995] No. 92), the Company issued 174,000,000 ordinary shares (“B shares”). In 1998, with the approval of CSRC (Zheng Jian Fa Zi [1998] No. 19), the Company issued additional 170,000,000 B shares.

According to the resolution of the shareholders’ meeting regarding the split share structure reform on 11 January 2006, the Company implemented the *Scheme on Split Share Structure Reform* on 13 February 2006. After the implementation, the Company’s total paid-in capital remains the same. Related details are disclosed in Note 4(34).

As at 31 December 2022, the Company’s paid-in capital totalled RMB863,214,000, with par value of RMB1 per share.

The business scope of the Company and its subsidiaries (hereinafter “the Group”) includes production and sales of automobile assemblies such as automobiles, special (modified) vehicles, engines and chassis and other automobile parts, and provision of related after-sales services; retail and wholesale of imported FORD E series automobiles of Ford Motor (China) Co., Ltd. as the dealer; import and export of automobiles and parts; dealership of used cars; provision of enterprise management and consulting services related to production and sales of automobiles.

Subsidiaries included in the consolidation scope for the current year are detailed in Note 5.

These financial statements were authorised for issue by the Company’s Board of Directors on March 28 2023.

2 Summary of significant accounting policies and accounting estimates

The Group determines specific accounting policies and estimates based on the features of its production and operation, which mainly comprise the measurement of expected credit losses (“ECL”) on receivables (Note 2(8)), valuation of inventories (Note 2(9)), depreciation of fixed assets and amortisation of intangible assets and right-of-use assets (Note 2(11), (14), (22)), criteria for capitalisation of development expenditures (Note 2(14)), recognition and measurement of revenue (Note 2(19)), etc.

Key judgements and critical accounting estimates and key assumptions applied by the Group on the determination of significant accounting policies are set out in Note 2(25).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(1) Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standard for Business Enterprises - Basic Standard*, specific accounting standards and relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereinafter collectively referred to as “the Accounting Standards for Business Enterprises” or “CASs”) and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 - General Rules on Financial Reporting* issued by CSRC.

These financial statements have been prepared on a going concern basis.

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Company for the year ended 31 December 2022 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company's financial position of the Company as at 31 December 2022 and their financial performance, cash flows and other information for the year then ended.

(3) Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

(4) Recording currency

The recording currency of the company and its subsidiaries is Renminbi (“RMB”). The financial statements are presented in RMB.

(5) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(5) Preparation of consolidated financial statements (Cont'd)

In preparing the consolidated financial statements, where the accounting policies or the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive income for the period not attributable to the Company are recognised as minority interests, net profit attributed to minority interests and total comprehensive income attributed to minority interests, and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. If the subsidiaries' loss for the current period attributed to the minority shareholders exceeds their share in the opening shareholder's equity, the excess will be deducted against the minority interests. Unrealised profits and losses resulting from the sales of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealised profits and losses resulting from the sales of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and net profit attributed to minority interests in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sales of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and net profit attributed to minority interests in accordance with the allocation proportion of the parent in the subsidiary.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

The Group remeasure the remaining investment held at its fair value in the consolidated statement of financial position when the control is lost because of the partially disposal of the equity or other reasons. The difference between the consideration of the disposal as well as the fair value of the remaining investment and the share of net assets of the former subsidiary calculated based on the original share since the acquisition date as well as the good will is recognised in investment income in the period of control lost. In addition, the other comprehensive income and other changes in owner's equity related to the investment of the former subsidiary, are reclassified to profit or loss when the control is lost, except for the changes arising from remeasurement of net liabilities or net assets of defined benefit, the accumulated changes in fair value from the equity instruments not held for trading and designated as financial assets at fair value through other comprehensive income by the investee.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily drawn on demand, and short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(7) Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into recording currency using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into recording currency using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate changes on cash is presented separately in the cash flow statement.

(8) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

The financial assets are measured at fair value at initial recognition. Related transaction costs that are attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognised directly in profit or loss for the current period. Accounts receivable or notes receivable arising from sales of products or rendering of services (excluding or without regard to significant financing components) are initially recognised at the consideration that is entitled to be charged by the Group as expected.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following three ways:

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(i) Classification and measurement (Cont'd)

Measured at amortised cost:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest method. Such financial assets mainly include cash at bank and on hand, notes receivable, accounts receivable, other receivables and long-term receivables, etc. The Group presents long-term receivables that are due within one year from the balance sheet date (including one year) as non-current assets due within one year.

Measured at fair value through other comprehensive income:

The objective of the Group's business model is to hold the financial assets to both collect the contractual cash flows and sell such financial assets, and the contractual cash flow characteristics are consistent with a basic lending arrangement. Such financial assets are measured at fair value through other comprehensive income, except for the impairment gains or losses, foreign exchange gains and losses, and interest income calculated using the effective interest method which are recognised in profit or loss for the current period. Such financial assets mainly include financing receivables, etc.

Measured at fair value through profit or loss:

Debt instruments held by the Group that are not divided into those at amortised cost, or those measured at fair value through other comprehensive income, are measured at fair value through profit or loss. At initial recognition, the Group does not designate a portion of financial assets as at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Financial assets that are due in more than one year as from the balance sheet date and are expected to be held for over one year are included in other non-current financial assets, and the others are included in financial assets held for trading.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment

Loss provision for financial assets at amortised cost and receivables financing at fair value through other comprehensive income is recognised on the basis of ECL.

Giving consideration to reasonable and supportable information that is related to past events, current conditions and forecasts of future economic conditions and is available without undue cost or effort at the balance sheet date, as well as the default risk weight, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

For notes receivable, accounts receivable and financing receivables arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group recognises the lifetime ECL regardless of whether there exists a significant financing component.

Except for the above-mentioned notes receivable, accounts receivable and financing receivables, as at each balance sheet date, the ECL of financial instruments at different stages are measured respectively. 12-month ECL provision is recognised for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime ECL provision is recognised for financial instruments in Stage 2 that have had a significant increase in credit risk yet without credit impairment since initial recognition; and lifetime ECL provision is recognised for financial instruments in Stage 3 that have had credit impairment since initial recognition.

For the financial instruments with low credit risk on the balance sheet date, the Group assumes there is no significant increase in credit risk and identifies it in Stage 1 since initial recognition and recognises the 12-month ECL provision.

For the financial instruments in Stage 1 and Stage 2, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before deduction of the impairment provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (after deduction of the impairment provision from the gross carrying amount).

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment (Cont'd)

In case the ECL of an individually assessed financial asset can be evaluated with reasonable cost, the Group determines the ECL based on impairment assessment of an individual financial asset. In case the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group divides the receivables into certain groupings based on credit risk characteristics, and calculates the ECL for the groupings. Basis for determining groupings and related provision methods are as follows:

Grouping - Bank acceptance notes	State-owned banks and joint stock banks Customers purchasing using trade acceptance notes
Grouping - Trade acceptance notes	
Grouping - Sales of general automobiles	Customers of general automobiles
Grouping - Sales of new energy automobiles	Customers of new energy automobiles
Grouping - Sales of automobile parts	Customers of automobile parts
Grouping - Other receivables	Other receivables with the same nature
Grouping - Others	Accrued interest on cash at bank

For accounts receivable classified as a portfolio and financing of notes receivable and receivables resulting from daily operating activities such as sale of goods and provision of services, the Group calculates the ECL with reference to historical credit losses experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the lifetime ECL rate. For other notes receivable, financing receivables and other receivables classified into groupings, the Group calculates the ECL with reference to the historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rate.

The Group recognises the loss provision made or reversed into profit or loss for the current period. For debt instruments held at fair value through other comprehensive income, the Group adjusts other comprehensive income while the impairment loss or gain is recognised in profit or loss for the current period.

JIANGLING MOTORS CORPORATION, LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(iii) Derecognition

A financial asset is derecognised when: (i) the contractual rights to the cash flows from the financial asset expire, (ii) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee, or (iii) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

When a financial asset is derecognised, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortised cost, including notes payable, accounts payable, other payables, borrowings, etc. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognised or partly derecognised when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

JIANGLING MOTORS CORPORATION, LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

2 Summary of significant accounting policies and accounting estimates (Cont'd)

(8) Financial instruments (Cont'd)

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(9) Inventories

(a) Classification

Inventories include raw materials, work-in-process, finished goods, low-value consumables, materials in transit and materials on consignment, etc., and are measured at the lower of cost or net realizable value.

(b) Costing of inventories

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprise raw materials, direct labour and systematically allocated production overhead based on the normal production capacity.

(c) Basis for determining net realisable value of inventories and method for making provision for inventories

Provision for inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs to completion, estimated contract fulfilment costs and estimated costs necessary to make the sale and related taxes.

(d) The Group adopts the perpetual inventory system.

(e) Amortisation method of low value consumables

Low value consumables are amortised into expenses in full when issued for use.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(10) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its associates.

Subsidiaries are the investees over which the Company is able to exercise control. Associates are the investees that the Group has a significant influence on their financial and operating decisions.

Investments in subsidiaries are presented using the cost method in the Company's financial statements, and adjusted to the equity method when preparing the consolidated financial statements. Investments in associates are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at the combination date; for long-term equity investments acquired through a business combination not involving enterprises under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination, such as long-term equity investments acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be the fair value of the equity securities issued.

(b) Subsequent measurement and recognition of profit or loss

Long-term equity investments accounted for using the cost method are measured at the initial investment cost. Cash dividend or profit distribution declared by an investee is recognised as investment income into profit or loss for the current period.

For long-term equity investments accounted for using the equity method, where the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at that cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is included in profit or loss for the current period and the cost of the long-term equity investment is adjusted upwards accordingly.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(10) Long-term equity investments (Cont'd)

(b) Subsequent measurement and recognition of profit or loss (Cont'd)

For long-term equity investments accounted for using the equity method, the Group recognises the investment income or losses according to its share of net profit or loss of the investee. The Group does not recognise further losses when the carrying amounts of the long-term equity investment together with any long-term interests that, in substance, form part of the Group's net investment in investees are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions are satisfied, the Group continues recognising the investment losses and the provisions at the amount it expects to undertake. The Group's share of the changes in investee's owner's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution is recognised in capital surplus with a corresponding adjustment to the carrying amounts of the long-term equity investment. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investees. Unrealised gains or losses on transactions between the Group and its investees are eliminated to the extent of the Group's equity interest in the investees, based on which the investment income or losses are recognised. Any losses resulting from transactions between the Group and its investees, which are attributable to asset impairment losses are not eliminated.

(c) Basis for determining existence of control and significant influence over investees

Control is the power over investees that can bring variable returns through involvement in related activities of investees and the ability to influence the returns by using such power over investees.

Significant influence is the power to participate in making decisions on financial and operating policies of the investee but is not control or joint control over making those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries and associates is reduced to the recoverable amounts when the recoverable amounts are below their carrying amount (Note 2(15)).

(11) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, machinery and equipment, vehicles, moulds, and electronic and other equipment.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group are initially measured at cost at the time of acquisition. The fixed assets contributed by the state-owned shareholders upon the restructuring of the Company are recorded at the valued amount determined by the state-owned asset administration department.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(11) Fixed assets (Cont'd)

(a) Recognition and initial measurement of fixed assets (Cont'd)

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

(b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated net residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives, the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	35 to 40 years	4%	2.4% to 2.7%
Machinery and equipment	10 to 15 years	4%	6.4% to 9.6%
Vehicles	2 to 10 years	4%-22.32%	9.6% to 42.2%
Moulds	5 years	-	20%
Electronic and other equipment	5 to 7 years	4%	13.7% to 19.2%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed and adjusted as appropriate at each year-end.

(c) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(15)).

(d) Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(12) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(15)).

(13) Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

The capitalised amount of specific borrowings intended to be used for the acquisition and construction of qualifying assets is determined by the interest expenses incurred in the current period less interest income of the unused borrowings deposited at banks or investment income from temporary investments.

The capitalised amount of general borrowings intended to be used for the acquisition or construction of qualifying assets is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The effective interest rate is the rate at which the future cash flows of the borrowings over the expected lifetime or a shorter applicable period are discounted into the initial recognised amount of the borrowings.

(14) Intangible assets

Intangible assets include land use rights, software use fees, non-patent technologies and after-sales service management mode, are measured at cost.

(a) Land use rights

Land use rights are amortised on the straight-line basis over their approved use period of 50 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(14) Intangible assets (Cont'd)

(b) Software use fees

Software use fees are amortised on a straight-line basis over the estimated useful life of 5 years.

(c) Non-patent technologies

Non-patent technologies are amortised on the straight-line basis over the estimated useful life of 5 to 7 years.

(d) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made appropriately.

(e) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

Expenditure on the research phase related to planned survey, evaluation and selection for research on manufacturing technique of automobile products is recognised in profit or loss in the period in which it is incurred. Prior to mass production, expenditure on the development phase related to the design and testing phase in regard to the final application of manufacturing technique of automobile products is capitalised only if all of the following conditions are satisfied:

- the development of manufacturing technique of automobile products has been fully demonstrated by technical team;
- management intends to complete the development of manufacturing technique of automobile products, and use or sell it;
- the research and analysis of preliminary market survey indicate that products manufactured with manufacturing technique of automobile products are marketable;
- adequate technical and financial supports are available for development of manufacturing techniques of automobile products and subsequent mass production; and
- expenditure on development of manufacturing techniques of automobile products can be reliably collected.

Other expenditures on the development phase that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development expenditures previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development expenditures in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(14) Intangible assets (Cont'd)

(f) Impairment of intangible assets

The carrying amounts of intangible assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(15)).

(15) Impairment of long-term assets

Fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lives and long-term equity investments in subsidiaries and associates are tested for impairment if there is any indication that the assets may be impaired at the balance sheet date; intangible assets that are not yet available for their intended use are tested for impairment at least once a year, irrespective of whether there is any indication of impairment. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an asset impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least once a year for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying amount of goodwill is allocated to the related asset group or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset group or group of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

(16) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits, etc.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences, etc. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(16) Employee benefits (Cont'd)

(b) Post-employment benefits

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, premiums or contributions on basic pensions and unemployment insurance paid for employees belong to defined contribution plans; supplementary retirement benefits for employees are defined benefit plans.

(i) Defined contribution plans

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resources and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(ii) Defined benefit plans

The Group also provides employees with supplementary retirement benefits in addition to the insurance system prescribed by the State. Such supplementary retirement benefits belong to defined benefit plans. The defined benefit liabilities recognised on the balance sheet represent the present value of defined benefit obligations less the fair value of the plan assets. The defined benefit obligations are calculated annually by an independent actuary using projected unit credit method at the interest rate of treasury bonds with similar obligation term and currency. Service costs related to supplementary retirement benefits (including current service costs, historical service costs and settled gains or losses) and net interest are recognised in profit or loss for the current period or the cost of related assets, and changes arising from remeasurement of net liabilities or net assets of defined benefit plans are recognised in other comprehensive income.

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(16) Employee benefits (Cont'd)

(c) Termination benefits (Cont'd)

Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be settled within one year since the balance sheet date are classified as employee benefits payable.

(17) Dividend distribution

Cash dividends are recognised as liabilities in the period in which the dividends are approved at the shareholders' meeting.

(18) Provisions

Provisions for product warranties, compensation to suppliers, etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors on a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(19) Revenue

The Group sells automobiles and automobile parts to distributors or end customers. In addition, the Group also provides customers with auto maintenance and additional quality warranty services. The Group recognises revenue at the amount of the consideration that is entitled to be charged by the Group as expected when the customer obtains control over relevant goods or services.

(a) Sale of automobiles and automobile parts to distributors and end customers

The Group manufactures automobiles and automobile parts and sells such products to distributors and end customers. According to the contract, the delivery is completed after the products are delivered at the contracted delivery location and acceptance by both parties. The Group recognises the revenue at the timing of delivery completion.

Where two or more obligations are included in a contract between the Group and the customers, at the beginning date of the contract, the Group allocates the transaction price to individual obligation in the relative proportion to the individual selling prices of products or services committed in each individual obligation. When the individual selling price is unobservable, the Group makes reasonable estimates on the individual selling price with comprehensive consideration to all available information, and by using market adjustment method, cost plus method, etc.

The credit periods granted by the Group to distributors and end customers are generally within one year, which is consistent with the industry practice, and there is no significant financing component. The Group provides product warranties for automobiles and automobile parts as required by laws and regulations, and recognises the corresponding provisions (Note 2(18)).

The Group provides distributors and end customers with sales discounts based on sales volume, and related revenue is recognised at contract consideration net of the discount amount estimated based on historical experience and using the expected value method.

(b) Rendering of services

The Group provides customers with automobile maintenance and additional quality warranty services, and the revenue is recognised based on the progress of service provision within a certain period. According to the nature of the service provided, the performance progress is determined in accordance with the value of the labour provided to the customer.

When the Group recognises revenue based on the stage of completion, the amount with unconditional collection right obtained by the Group is recognised as accounts receivable, and the rest is recognised as contract assets. Meanwhile, loss provision for accounts receivable and contract assets are recognised on the basis of ECL (Note 2(8)). If the contract price received or receivable exceeds the amount for the completed service, the excess portion will be recognised as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(20) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government at no consideration, including support funds for enterprise development, financial subsidies, etc.

Government grants are recognised when the grants can be received and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognised in profit or loss on a reasonable and systemic basis over the useful lives of the assets. Government grants related to income that compensate future costs, expenses or losses are recorded as deferred income and recognised in profit or loss in reporting the related expenses; government grants related to income that compensate incurred costs, expenses or losses are recognised in profit or loss directly in the current period.

The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income.

The Group recorded at the actual amount of borrowings when received the loans at policy-based preferential interest rates received and the related borrowing costs are calculated on the basis of the principal amount borrowed and the preferential interest rate under the policy.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(21) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible loss). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries and associates, except where the Group is able to control the timing of reversal of such temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future. When it is probable that the deductible temporary differences arising from investments in subsidiaries and associates will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the deductible temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and deferred tax liabilities are offset when:

- the deferred tax assets and deferred tax liabilities are related to the same taxpayer within the Group and the same taxation authority; and
- that taxpayer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(22) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as the lessee

At the commencement date, the Group shall recognise the right-of-use asset and measure the lease liabilities at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lessee exercises an option to terminate the lease. Variable lease payments in proportion to sales are excluded from lease payments and recognised in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current liabilities.

The Group's right-of-use assets represent leased buildings. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initially direct costs, less any lease incentives received. If it is reasonably probable that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amounts of the right-of-use assets are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(15)).

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group may, instead of recognising right-of-use assets and lease liabilities, recognise the lease payments in the cost of the underlying assets or in profit or loss for the current period on a straight-line basis over the lease term.

The Group shall account for a lease modification as a separate lease if both: (1) the modification extends the scope of the lease by adding the right to use one or more underlying assets; (2) the increased consideration is equivalent to the amount of the individual price of the expanded part of the lease scope adjusted according to the contract conditions.

For a lease modification that is not accounted for as a separate lease, the Group shall redetermine the lease term at the effective date of the lease modification, and remeasure the lease liability by discounting the revised lease payments using a revised discount rate, except for the simplified method for contract changes by the regulations of the Ministry of Finance. For a lease modification which narrows the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset, and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other changes which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

For the eligible rental waivers on existing lease contracts, the Group applies the simplified method, records the undiscounted waivers in profit or loss and adjusts lease liability when the agreement is reached to dismiss the original payment obligation.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(22) Leases (Cont'd)

The Group as the lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. An operating lease is a lease other than a finance lease.

As the lessor, the Group does not hold any finance lease. Where the Group leases out self-owned buildings and vehicles under operating leases, rental income is recognised on a straight-line basis over the lease term.

(23) Specific Reserve

According to the decision of the State Council on Further Strengthening the work of production safety(Guofa No.2 2004), the notice of Circular of the State Council on Further Strengthening the work of enterprise production safety (Guofa No.23 2010) and Measures for the Administration of the Extraction and Use of Enterprise Production Safety Expenses (Caizi (2022) No. 136) issued by the Ministry of Finance and the Ministry of Emergency Response in December 2022, the Group extracted safety production costs at a certain percentage of its operating revenue in the previous year, which is specifically used for safety costs.

The Group's production safety expenses, which are extracted in accordance with the aforementioned national regulations, are included in the cost of relevant products or current profit or loss, and are also included in special reserves.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilization of the safety fund for fixed assets, the specific reserve is reduced as the fixed assets are recognised, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognised in accumulated depreciation with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

(24) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. Two or more operating segments that have similar economic characteristics and satisfy certain conditions can be aggregated into one single operating segment.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the accounting policies

(i) Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business models and analysis on contractual cash flow characteristics.

The Group determines the business model for financial assets management on the group basis, and factors to be considered include the methods for evaluating the financial assets performance and reporting such performance to key management personnel, the risks relating to the financial assets performance and corresponding management methods, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in time schedule or amount of the principal during the lifetime due to reasons such as repayment in advance; whether interest only includes time value of money, credit risks, other basic lending risks and considerations for costs and profits. For example, whether the repayment in advance only reflects the principal outstanding and corresponding interest and reasonable compensation paid for early termination of the contract.

(ii) Judgement on significant increase in credit risk and occurrence of credit impairment

When the Group distinguishes the different stages of financial instruments, its judgement on significant increase in credit risk and occurrence of credit impairment is as follows:

Judgement made by the Group for significant increase in credit risk is mainly based on whether the overdue days exceed 30 days, or whether one or more of the following indicators change significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor, etc.

Judgement made by the Group for the occurrence of credit impairment is mainly based on whether the overdue days exceed 90 days (i.e., a default has occurred), or whether one or more of the following conditions is/are satisfied: the debtor is suffering significant financial difficulties, the debtor is undergoing other debt restructuring, or the debtor probably goes bankrupt, etc.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(a) Critical judgements in applying the accounting policies (Cont'd)

(iii) Judgement on capitalisation of development expenditures

Development expenditures are capitalised when the criteria in Note 2(14)(e) are fulfilled. The assessments on whether the criteria for capitalisation of development expenditures have been met involve judgements of the Group, including the technical feasibility of the project, the likelihood of the project generating sufficient future economic benefits and the timing to start capitalisation particularly. The Group makes the judgements on the capitalisation of development expenditures and records the process in meeting minutes based on feasibility analysis, regular review on the development project phase, etc.

(iv) Timing of revenue recognition

The Group sells automobiles and automobile parts to distributors or end customers. According to the contract, the delivery is completed after the products are delivered at the contracted delivery location and acceptance by both parties. Thereafter, the distributors or end customers own the products, have the right to set prices independently, and bear the risks from price fluctuation or damage of the products. The distributors or end customers have obtained the control of the products after accepting the products. The Group recognizes the revenue at the timing of the delivery completion.

(v) Sales with product warranties

The Group provides statutory warranty for automobiles and automobile parts, and the periods and terms of such warranty comply with the requirements of laws and regulations related to the products. The Group does not provide any significant additional service or additional warranty for this purpose, thus this kind of warranty cannot be identified as a separate performance obligation. In addition, the Group also offers additional warranty other than the requirements of laws and regulations, which is identified as a separate performance obligation. The Group recognises the revenue of the additional warranty over time during the period when services are rendered.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are outlined below:

(i) Measurement of ECL

The Group calculates ECL through default risk exposure and ECL rate and determines the ECL rate based on default probability and default loss rate. In determining the ECL rate, the Group uses data such as internal historical credit loss experience, etc., and adjusts historical data based on current conditions and forward-looking information.

When considering forward-looking information, the Group takes different macroeconomic scenarios into consideration. In 2022, the weights of “base”, “bad” and “good” are 68%, 16% and 16% (2021: 68%, 16% and 16%) under three economic scenarios respectively for the consideration of forward-looking information. The Group regularly monitors, and reviews important macroeconomic assumptions and parameters related to the calculation of ECL rate, including the risks of economic downturn, external market environment, changes of technological environment and customer, gross domestic product, consumer price index and broad money supply. In 2022, the Group has considered the uncertainty under different macroeconomic scenarios, updated relevant assumptions and parameters accordingly. The key macroeconomic parameters used in each scenario are listed as follows:

	Scenarios		
	Base	Bad	Good
Gross domestic product	4.56%	2.02%	7.11%
Consumer price index	3.45%	-33.12%	40.02%

In 2021, the key macroeconomic parameters used in each scenario are listed below:

	Scenarios		
	Base	Bad	Good
Gross domestic product	7.81%	4.74%	10.89%
Consumer price index	1.82%	-1.38%	5.02%

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(ii) Provision for long-term asset impairment

The Group assesses whether there is any indication that non-current assets other than financial assets may be impaired at the balance sheet date. When there are indications showing the carrying amounts of such assets cannot be recovered, an impairment test will be performed.

When the carrying amount of non-current assets or asset groups other than financial assets is higher than the recoverable amount, which is the higher of an asset's fair value less disposal costs and the present value of the future cash flows expected to be derived from the asset, it shows non-current assets or asset groups are impaired.

The amount of an asset's fair value less disposal costs was determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. Where there is no sales agreement but there is an active market of assets, the amount is determined by the market price less the costs that are directly attributable to the disposal of the asset. The market price of assets is determined by the considerations provided by the buyer. Where there is no sales agreement or active market of assets, the amount of an asset's fair value less disposal costs was determined based on the best information available, with reference to the latest transaction price or results of similar assets of the same industry.

Disposal costs include legal cost, taxes and handling fee related to asset disposal, and direct costs incurred to bring the assets to a saleable state.

(iii) Income tax and deferred income tax

The Group is subject to enterprise income tax in multiple regions. There are some transactions and events for which the ultimate tax treatment is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these regions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(iii) Income tax and deferred income tax (Cont'd)

As stated in Note 3(2), the Company is a high-tech enterprise. The “High-Tech Enterprise Certificate” is effective for three years. Upon expiration, application for high-tech enterprise assessment should be submitted again to the relevant government authorities. Based on the past experience of reassessment for high-tech enterprise upon expiration and its actual conditions, the Company considers that it is able to obtain the qualification for high-tech enterprises in the next 3 years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If the Company cannot obtain the qualification for high-tech enterprise upon expiration, then the Company is subject to a statutory tax rate of 25% for the calculation of income tax, which further influences the recognised deferred tax assets, deferred tax liabilities and income tax expenses.

Deferred tax assets are recognised for the deductible tax losses that can be carried forward to subsequent years to the extent that it is probable that taxable profit will be available in the future against which the deductible tax losses can be utilised. Taxable profit that will be available in the future includes the taxable profit that will be realised through ordinary course of business and the taxable profit that will be increased upon the future reversal of taxable temporary differences incurred in prior periods. Judgements and estimates are required to determine the time and amounts of taxable profit in the future. Any difference between the reality and the estimate may result in adjustment to the carrying amount of deferred tax assets.

(iv) Provisions

The Group undertakes after-sales repair or replacement obligations for automobiles sold based on the after-sales service agreement. Management estimates related provisions based on historical after-sales service data, including the repair and replacement provided as well as current trends.

Factors that may impact the estimation of warranty costs include improvement of the Group’s productivity and production quality, as well as changes in related parts and labour costs. Any increase or decrease in provisions will have impact on profit or loss of the Group in the future.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(25) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(v) Provision for decline in the value of inventories

The Group's inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is the amount of the estimated selling price in the ordinary course of business, less the estimated costs to completion, estimated contract performance costs, estimated costs necessary to make the sales and related taxes.

If the management revises the estimated selling price of the inventory, the estimated costs to be incurred by the time of completion, and the estimated selling and distribution expenses and related taxes, the revised estimated selling price is lower than the currently adopted estimated selling price, or the revised until The estimated costs, estimated contract performance costs, sales expenses, and related taxes and fees at the completion of the project are higher than the currently adopted estimates, the Group needs to make provision for decline in the value of inventory.

If the actual selling prices, costs to completion, estimated contract performance costs, selling and distribution expenses and related taxes are higher or lower than management's estimates, the Group shall recognise the relevant differences in the consolidated income statement during the corresponding accounting period.

(26) Significant changes in accounting policies

The Ministry of Finance released the *Circular on Issuing Interpretation No. 15 of Accounting Standards for Business Enterprises* (hereinafter "Interpretation No. 15") in 2021, and released the *Circular on Issuing Interpretation No. 16 of Accounting Standards for Business Enterprises (hereinafter "Interpretation No. 16")* and *Q&A on Implementation of Accounting Standards for Business Enterprises*, etc. in 2022 and 2023. The financial statements for the year ended 31 December 2022 have been prepared in accordance with the above circulars and Q&A, and the impacts on the financial statements of the Group and the Company are insignificant except the followings.

(a) Accounting treatment for trial run of fixed assets

The Group and the Company implemented the regulation of related to trial run sales of fixed assets in Interpretation No. 15 from 1 January 2022. This changes in accounting policies had no impacts on the balance sheet as at 1 January 2022.

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3 Taxation

- (1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Taxation basis	Tax rate
Enterprise income tax (a)	Taxable income	15% and 25%
Value-added tax ("VAT") (b)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible input VAT of the current period)	13%, 9% and 6%
Consumption tax (c)	Taxable sales amount	3%, 5% and 9%
City maintenance and construction tax (d)	The payment amount of VAT and consumption tax	5% and 7%

- (a) Pursuant to the *Circular on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances* (Cai Shui [2018] No. 54) and the *Announcement on Extending the Implementation Period of Certain Preferential Tax Policies* (Cai Shui [2021] No. 6) issued by the State Taxation Administration and relevant regulations, during the period from 1 January 2018 to 31 December 2023, the cost of newly purchased equipment with the original cost less than RMB5 million can be fully deducted against taxable profit in the next month after the asset is put into use, instead of being depreciated annually for tax filing.
- (b) Pursuant to the *Announcement on Relevant Policies for Deepening Value-Added Tax Reform* (Announcement [2019] No. 39) and relevant regulations jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, the Group's taxable products sales revenue is subject to the VAT at the rate of 13%. The Group's real estate leasing business is subject to the VAT at the rate of 9%. Revenue from provision of technical service to external parties is subject to VAT at the rate of 6%.
- (c) Pursuant to the *Interim Regulations of the People's Republic of China on Consumption Tax promulgated by the State Council* (Order No. 539 of the State Council of the People's Republic of China) and the *Notice of Ministry of Finance and State Taxation Administration on Adjusting Consumption Tax Policies for Passenger Cars* (Cai Shui [2008] No. 105), the consumption tax rates of the Group's taxable products are 3%, 5% and 9%.
- (d) Pursuant to the *Circular of the State Council on Unifying the Collection of City Maintenance and Construction Tax and Educational Surcharge on Domestic and Foreign-Owned Enterprises and Individuals* (Guo Fa [2010] No. 35) issued by the State Council, the Group is subject to city maintenance and construction tax at the rates of 5% and 7%.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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3 Taxation (Cont'd)

(2) Tax preference

Pursuant to the *Circular on the Announcement of the First Batch of High-Tech Enterprises of Jiangxi Province for the year 2021* (Gan Gao Qi Ren Ban [2021] No. 8), the Company is certified as a high-tech enterprise, and the valid term is three years. Under Article 28 of the *Enterprise Income Tax Law of the People's Republic of China*, the income tax rate applicable to the Company for the year of 2022 is 15% (2021: 15%). In addition, pursuant to the *Announcement on Increasing Pre-tax Deductions in Support of Scientific and Technological Innovation* (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Science and Technology [2022] No. 28) issued by the Ministry of Finance, the State Taxation Administration, and the Ministry of Science and Technology, during the period from 1 October 2022 to 31 December 2022, the newly purchased equipment of subsidiary the company could be fully deducted against taxable profit in 2022, and 100% additional deduction was applicable before tax.

In 2022, except for the Company, the Company's wholly-owned companies, including JMC Heavy Duty Vehicle Co., Ltd. ("JMCH"), Jiangling Motor Sales Co., Ltd. ("JMCS"), Shenzhen Fujiang New Energy Automobile Sales Co., Ltd. ("SZFJ"), Guangzhou Fujiang New Energy Automobile Sales Co., Ltd. ("GZFJ"), and Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. ("Jiangling Ford (Shanghai)") were subject to the enterprise income tax at the rate of 25% (2021: 25%).

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[English translation for reference only]**4 Notes to the consolidated financial statements**

(1) Cash at bank and on hand

	31 December 2022	31 December 2021
Cash at bank	7,656,947,735	8,509,470,334
Deposits from a finance company		
(a) (Note 7(6))	886,245,919	1,059,580,980
Interest receivable	61,784,071	-
	<u>8,604,977,725</u>	<u>9,569,051,314</u>

- (a) As at 31 December 2022, the Group's bank deposits placed with Jiangling Motor Group Finance Company Limited("JMCF") bear interest at the bank's annual interest rate of 1.725% - 2.25% (2021: 1.725% - 2.25%) on RMBdeposits for the same period.

JMCF, a holding subsidiary of Jiangling Motors Group Co., Ltd ("JMCG"), is a non-banking financial institution. JMCG holds 50% equity capital of Nanchang Jiangling Investment Co., Ltd. ("JIC"), a main shareholder of the Company.

(2) Financial assets held for trading

	31 December 2022	31 December 2021
Structural deposits	<u>-</u>	<u>100,242,329</u>

(3) Derivative financial assets and derivative financial liabilities

	31 December 2022	31 December 2021
Derivative financial assets -		
Forward exchange contracts	<u>2,972,698</u>	<u>-</u>
Derivative financial liabilities -		
Forward exchange contracts	<u>-</u>	<u>10,704,619</u>

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4 Notes to the consolidated financial statements (Cont'd)**(4) Notes receivable**

	31 December 2022	31 December 2021
Trade acceptance notes	743,071,151	119,783,900
Less: Provision for bad debts	<u>(318,421)</u>	<u>-</u>
	<u>742,752,730</u>	<u>119,783,900</u>

As at 31 December 2022, the Group had notes receivable from Jiangxi Jiangling Import & Export Co., Ltd. amounting to RMB600,000,000 (31 December 2021: Nil) (Note 7(6)).

- (a) As at 31 December 2022, there were no notes receivable pledged.
- (b) As at 31 December 2022, the Group's notes receivable presented as endorsed or discounted but not yet due are as follows.

	Non-terminated Confirmation
Commercial acceptances	<u>600,000,000</u>

(c) Provision for bad debts

For notes receivable arising from sales of goods and rendering of services in the ordinary course of operating activities, the Group measures the loss provision based on the lifetime ECL regardless of whether there is a significant financing component. As at 31 December 2022, The Group measures the provision for bad debts on the basis of expected credit losses throughout its life and the related amount is RMB318,421 (31 December 2021: nil). There is no provision for bad debts recovered or reversed during the year.

(5) Accounts receivable

	31 December 2022	31 December 2021
Accounts receivable	4,367,065,120	3,213,330,895
Less: Provision for bad debts	<u>(121,523,368)</u>	<u>(218,532,668)</u>
	<u>4,245,541,752</u>	<u>2,994,798,227</u>

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4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2022	31 December 2021
Within 1 year	4,183,936,645	2,713,109,300
1 to 2 years	12,186,785	128,900,600
Over 2 years	170,941,690	371,320,995
	<u>4,367,065,120</u>	<u>3,213,330,895</u>

(b) As at 31 December 2022, the top five accounts receivable ranked by remaining balances are analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
Company 1	1,809,124,109	(1,495,512)	41.43%
Company 2	178,320,397	(76,414)	4.08%
Company 3	105,372,893	(963,329)	2.41%
Company 4	86,707,209	(42,388)	1.99%
Company 5	72,230,000	(72,230,000)	1.65%
	<u>2,251,754,608</u>	<u>(74,807,643)</u>	<u>51.56%</u>

(c) Provision for bad debts

For accounts receivable, the Group measures the loss provision based on the lifetime ECL regardless of whether there is a significant financing component.

(i) Accounts receivable for which provision for bad debts is made on the individual basis are analysed as follows:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	37,924,214	100%	(37,924,214)
Receivables for automobiles	72,230,000	100%	(72,230,000)
	<u>110,154,214</u>		<u>(110,154,214)</u>

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4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(i) Accounts receivable for which provision for bad debts is made on the individual basis are analysed as follows (Cont'd):

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	103,180,418	100%	(103,180,418)
Receivables for automobiles	80,862,880	100%	(80,862,880)
	<u>184,043,298</u>		<u>(184,043,298)</u>

As at 31 December 2022, The Group assessed the expected credit losses on the related accounts receivables, the Group considered the receivables cannot be collected, therefore, full provision was made for those receivables.

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows:

Grouping - Sales of general automobiles:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	3,342,241,063	0.04%	(1,433,732)
Overdue for 1 to 30 days	191,926,407	0.04%	(82,244)
Overdue for 31 to 60 day	60,431,806	1.07%	(645,450)
Overdue for 61 to 90 days	28,747,850	2.07%	(596,073)
Overdue over 90 days	132,725,554	3.14%	(4,170,090)
	<u>3,756,072,680</u>		<u>(6,927,589)</u>

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4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping - Sales of general automobiles (Cont'd):

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	2,279,044,623	0.08%	(1,829,856)
Overdue for 1 to 30 days	182,608,365	0.08%	(146,245)
Overdue for 31 to 60 days	48,703,203	2.44%	(1,186,068)
Overdue for 61 to 90 days	25,563,462	4.15%	(1,061,263)
Overdue over 90 days	37,478,374	5.01%	(1,876,531)
	<u>2,573,398,027</u>		<u>(6,099,963)</u>

Grouping - Sales of new energy automobiles:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	8,803,260	31.06%	(2,734,591)

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	187,009,300	14.67%	(27,438,915)

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4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping – Automobile parts:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	467,350,948	0.30%	(1,402,053)
Overdue for 1 to 30 days	16,889,558	0.30%	(50,669)
Overdue for 31 to 60 days	1,741,552	0.50%	(8,708)
Overdue for 61 to 90 days	1,297,746	0.60%	(7,786)
Overdue over 90 days	4,755,162	5.00%	(237,758)
	<u>492,034,966</u>		<u>(1,706,974)</u>

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	236,210,964	0.30%	(708,633)
Overdue for 1 to 30 days	10,782,728	0.30%	(32,348)
Overdue for 31 to 60 days	14,692,940	0.50%	(73,465)
Overdue for 61 to 90 days	3,469,461	0.60%	(20,817)
Overdue over 90 days	3,724,177	3.09%	(115,229)
	<u>268,880,270</u>		<u>(950,492)</u>

(iii) The amount of provision for bad debts for the year was RMB35,727,702 and the amount of provision for bad debts reversed was RMB23,230,284. The reason is that the amounts for which bad debts had been accrued were recovered in the current period. Among them, the receivables that had been individually accrued in the previous period were recovered in the current period in the amount of RMB110,068 and the corresponding carrying amount was RMB110,068.

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4 Notes to the consolidated financial statements (Cont'd)

(5) Accounts receivable (Cont'd)

(d) As the relevant amounts were confirmed to be uncollectible, the actual carrying amount of accounts receivable written off during the year was RMB109,506,718 and the amount of provision for bad debts was RMB109,506,718, of which RMB8,522,812 was written off in respect of accounts receivable for complete vehicles and RMB100,983,906 was written off in respect of accounts receivable for new energy subsidies. The above write-offs are not related transactions and have been approved by the board of directors.

(e) As at 31 December 2022 and 31 December 2021, there were no accounts receivable pledged.

(6) Financing receivables

	31 December 2022	31 December 2021
Bank acceptance notes	<u>376,662,817</u>	<u>201,511,670</u>

The Group endorses the bank acceptance notes as required by daily fund management, which also met the criteria for derecognition, and therefore classified those the bank acceptance notes as financial assets at fair value through other comprehensive income.

The Group had no bank acceptance notes for which the provision for impairment was made on the individual basis. As at 31 December 2022, the Group measures the loss provision of financing receivables based on the lifetime ECL. As at 31 December 2022, the acceptors of the Groups' notes receivable were mainly major state-owned banks or large and medium-sized banks with good reputation and credit ranking. Therefore, the Group expected there was no significant loss on related bank acceptance notes arising from bank default.

As at 31 December 2022, the Group had no pledged bank acceptance notes receivable presented in financing receivables.

As at 31 December 2022, the Group's bank acceptance notes had been endorsed or discounted but not yet matured were RMB1,610,132,623 and were derecognised.

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4 Notes to the consolidated financial statements (Cont'd)

(7) Advances to suppliers

(a) The ageing of advances to suppliers is analysed as below:

	31 December 2022		31 December 2021	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	<u>277,743,526</u>	<u>100%</u>	<u>497,302,198</u>	<u>100%</u>

(b) As at 31 December 2022, the top five advances to suppliers ranked by remaining balances are analysed as follows:

	Amount	% of total balance
Company 1	233,947,199	84.23%
Company 2	19,417,115	6.99%
Company 3	14,713,085	5.30%
Company 4	4,680,155	1.69%
Company 5	4,399,737	1.58%
	<u>277,157,291</u>	<u>99.79%</u>

(8) Other receivables

	31 December 2022	31 December 2021
Receivable for subsidiary disposal	60,900,000	252,000,000
Import working capital	10,000,000	25,000,000
Disposal of assets	4,604,745	17,668,457
Others	35,893,235	106,351,839
	<u>111,397,980</u>	<u>401,020,296</u>
Less: Provision for bad debts	<u>(334,608)</u>	<u>(1,036,560)</u>
	<u>111,063,372</u>	<u>399,983,736</u>

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4 Notes to the consolidated financial statements (Cont'd)

(8) Other receivables (Cont'd)

(a) The ageing of other receivables is analysed as follows:

	31 December 2022	31 December 2021
Within 1 year	47,163,619	398,699,129
Over 1 year	64,234,361	2,321,167
	<u>111,397,980</u>	<u>401,020,296</u>

(b) Provision for losses and changes in book balance statements:

	<u>Stage 1</u>		<u>Total</u>
	<u>12-month ECL (grouping)</u>		
	Book balance	Provision for bad debts	Provision for bad debts
31 December 2021	401,020,296	(1,036,560)	(1,036,560)
Net decrease in the current year	(289,622,316)	—	—
Bad debt provision reversed in the current year	—	701,952	701,952
31 December 2022	<u>111,397,980</u>	<u>(334,608)</u>	<u>(334,608)</u>

As at 31 December 2022 and 31 December 2021, the Group had no other receivables at Stage 2 and Stage 3. The analysis of other receivables at Stage 1 is stated below:

- (i) As at 31 December 2022 and 31 December 2021, the Group had no other receivables with provision for bad debts on the individual basis.
- (ii) As at 31 December 2022, the Group's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	Expected credit loss ratio within the next 12 months	Provision for bad debts	Rationale
Portfolio accrual:				
Receivable for subsidiary disposal	60,900,000	0.30%	(182,700)	Expected credit losses
Import working capital	10,000,000	0.30%	(30,000)	Expected credit losses
Disposal of assets	4,604,745	0.30%	(13,814)	Expected credit losses
Others	35,893,235	0.30%	(108,094)	Expected credit losses
	<u>111,397,980</u>		<u>(334,608)</u>	

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4 Notes to the consolidated financial statements (Cont'd)

(8) Other receivables (Cont'd)

(ii) As at 31 December 2021, the Group's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	Expected credit loss ratio within the next 12 months	Provision for bad debts	Rationale
Portfolio accrual:				
Receivable for subsidiary disposal	252,000,000	0.30%	(756,000)	Expected credit losses
Import working capital	25,000,000	0.30%	(75,000)	Expected credit losses
Disposal of assets	17,668,457	0.30%	(53,005)	Expected credit losses
Others	51,099,064	0.30%	(152,555)	Expected credit losses
Interest receivable	55,252,775	-	-	Expected credit losses
	<u>401,020,296</u>		<u>(1,036,560)</u>	

(c) RMB701,952 of provision for bad debts was reversed in the current year.

(d) As at 31 December 2022, the top five other receivables by the balance of the debtors are listed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Company 1	Receivable for subsidiary disposal	60,900,000	More than one year		(182,700)
Company 2	Prepayment	12,919,400	Within one year		(38,758)
Company 3	Import working capital, etc.	10,231,067	Within one year		(30,693)
Company 4	Asset disposal payments, etc.	4,614,745	Within one year		(13,844)
Company 5	Platform usage fees receivable	4,510,173	Within one year		(13,531)
		<u>93,175,385</u>			<u>(279,526)</u>

(9) Inventories

(a) Inventories are summarised by categories as follows:

	31 December 2022			31 December 2021		
	Book balance	Provision for decline in the value of inventories	Carrying amount	Book balance	Provision for decline in the value of inventories	Carrying amount
Raw materials	1,077,387,177	(70,415,497)	1,006,971,680	875,837,414	(70,998,768)	804,838,646
Finished goods	695,697,324	-	695,697,324	740,881,390	-	740,881,390
Work in progress	254,199,491	(857,711)	253,341,780	205,597,637	(1,297,098)	204,300,539
Low value consumables	93,411,573	(537,572)	92,874,001	93,028,528	(4,443,955)	88,584,573
Materials in transit	42,989,505	-	42,989,505	94,075,651	-	94,075,651
Materials consigned for processing	37,166,530	-	37,166,530	42,047,833	-	42,047,833
	<u>2,200,851,600</u>	<u>(71,810,780)</u>	<u>2,129,040,820</u>	<u>2,051,468,453</u>	<u>(76,739,821)</u>	<u>1,974,728,632</u>

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4 Notes to the consolidated financial statements (Cont'd)

(9) Inventories (Cont'd)

(b) Provision for decline in the value of inventories is analysed as follows:

	31 December 2021	Increase in the current year	Decrease in the current year		31 December 2022
		Provision	Reversal	Write-off	
Raw materials	(70,998,768)	(8,795,008)	2,712,875	6,665,404	(70,415,497)
Low value consumables	(4,443,955)	(537,572)	185,448	4,258,507	(537,572)
Work in progress	(1,297,098)	(49,637)	4,288	484,736	(857,711)
	<u>(76,739,821)</u>	<u>(9,382,217)</u>	<u>2,902,611</u>	<u>11,408,647</u>	<u>(71,810,780)</u>

(c) Provision for decline in the value of inventories is analysed as follows:

	Specific basis for determining net realisable value	Reason for current year reversal or write-off of provision for decline in the value of inventories
Raw materials/Work in progress/Low value consumables	Based on the estimated selling price, less the estimated costs to completion, estimated contract performance costs and selling and distribution expenses and related taxes	Increase in the net realisable value of the provision for decline in the value of inventories had been made in prior years or sales realised

(10) Other current assets

	31 December 2022	31 December 2021
Taxes prepaid, input VAT to be deducted and to be verified	<u>1,362,502,624</u>	<u>984,174,056</u>

(11) Current portion of non-current assets

	31 December 2022	31 December 2021
Current portion of long-term receivables (Note 4(12))	<u>13,851,634</u>	<u>13,236,153</u>

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4 Notes to the consolidated financial statements (Cont'd)

(12) Long-term receivables

	31 December 2022	31 December 2021
Long-term receivables	48,695,467	64,375,548
Less: Unearned financing income	(3,549,703)	(5,993,630)
Provision for bad debts	(146,086)	(193,127)
Current portion of long-term receivables(Note 4(11))	(13,851,634)	(13,236,153)
	<u>31,148,044</u>	<u>44,952,638</u>

As at 31 December 2022, the Group's long-term receivables were generated by instalment collections from disposal of fixed assets, which will be recovered from 2023 to 2026.

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4 Notes to the consolidated financial statements (Cont'd)

(13) Long-term equity investments

	31 December 2022	31 December 2021
Associates		
- Shanxi Yunnei Power Co., Ltd. ("The Power Company")	211,055,689	220,842,615
- Hanon Systems (Nanchang) Co., Ltd. ("Hanon Systems")	37,427,133	36,408,640
Less: Provision for impairment of long-term equity investments	-	-
	<u>248,482,822</u>	<u>257,251,255</u>

Associates

	<u>Movements for the current year</u>					31 December 2022	Shareholding (%)	Voting rights (%)	Ending balance of provision for impairment
	31 December 2021	Increase/decrease in the current period	Share of net profit/(loss) under equity method	Cash dividends declared	Provision for impairment				
The Power Company	220,842,615	-	(9,786,926)	-	-	211,055,689	40%	40%	-
Hanon Systems	36,408,640	-	1,018,493	-	-	37,427,133	19.15%	33.33%	-
Total	<u>257,251,255</u>	<u>-</u>	<u>(8,768,433)</u>	<u>-</u>	<u>-</u>	<u>248,482,822</u>			<u>-</u>

Related information of equity in associates is set forth in Note 5(2).

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4 Notes to the consolidated financial statements (Cont'd)

(14) Fixed assets

	31 December 2022	31 December 2021
Fixed assets (a)	5,446,006,505	6,027,890,644
Fixed assets pending for disposal (b)	377,864	1,411,387
	<u>5,446,384,369</u>	<u>6,029,302,031</u>

(a) Fixed assets

	Buildings	Machinery and equipment	Vehicles	Moulds	Electronic and other equipment	Total
Cost						
31 December 2021	2,745,069,082	3,491,849,012	376,797,673	3,235,951,735	3,882,390,000	13,732,057,502
Increase in the current year						
Transfer from construction in progress	13,835,772	84,766,479	24,324,999	349,825,432	183,134,214	655,886,896
Other increases	-	-	2,300,000	-	-	2,300,000
Decrease in the current year						
Disposal or retirement	(545,490,834)	(17,631,753)	(12,393,866)	(131,091,542)	(39,178,267)	(745,786,262)
Others	-	(124,564,793)	-	-	(54,873,232)	(179,438,025)
Reclassification	-	(281,109,796)	84,516,373	-	196,593,423	-
31 December 2022	2,213,414,020	3,153,309,149	475,545,179	3,454,685,625	4,168,066,138	13,465,020,111
Accumulated depreciation						
31 December 2021	(623,685,758)	(1,675,100,705)	(231,571,055)	(2,486,558,453)	(2,318,281,178)	(7,335,197,149)
Increase in the current year						
Provision	(57,544,946)	(222,729,119)	(56,281,925)	(172,955,867)	(396,664,981)	(906,176,838)
Decrease in the current year						
Disposal or retirement	261,824,676	12,399,317	9,525,492	112,936,470	36,329,271	433,015,226
Others	-	96,947,819	-	-	46,229,130	143,176,949
31 December 2022	(419,406,028)	(1,788,482,688)	(278,327,488)	(2,546,577,850)	(2,632,387,758)	(7,665,181,812)
Provision for impairment						
31 December 2021	-	(12,564,527)	(2,833,467)	(336,857,072)	(16,714,643)	(368,969,709)
Increase in the current year						
Provision	-	(565,007)	-	(31,034)	(167,121)	(763,162)
Decrease in the current year						
Disposal or retirement	-	737,384	262,387	13,440,664	1,460,642	15,901,077
31 December 2022	-	(12,392,150)	(2,571,080)	(323,447,442)	(15,421,122)	(353,831,794)
Carrying amount						
31 December 2022	1,794,007,992	1,352,434,311	194,646,611	584,660,333	1,520,257,258	5,446,006,505
31 December 2021	2,121,383,324	1,804,183,780	142,393,151	412,536,210	1,547,394,179	6,027,890,644

In 2022, depreciation charged to fixed assets amounted to RMB906,176,838 (2021: RMB887,989,750), of which the depreciation expenses charged in the cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses were RMB744,253,418, RMB2,284,506, RMB94,102,502 and RMB65,536,412 (2021: RMB694,724,288, RMB1,965,774, RMB125,771,056 and RMB65,528,632), respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB655,886,896 (2021: RMB2,121,335,033).

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4 Notes to the consolidated financial statements (Cont'd)

(14) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(i) Temporarily idle fixed assets

As at 31 December 2022, the fixed assets with a carrying amount of approximately RMB507,898,988 (a cost of RMB1,521,049,605) (31 December 2021: a carrying amount of approximately RMB862,054,869 and a cost of RMB2,081,185,910) were temporarily idle due to the reorganisation plan of JMCH and the change of product process, etc. The analysis is as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Buildings	409,240,038	(96,229,817)	-	313,010,221
Machinery and equipment	196,732,613	(126,996,428)	(5,630,085)	64,106,100
Vehicles	70,527,743	(52,489,571)	(2,473,956)	15,564,216
Moulds	455,442,876	(141,677,729)	(312,686,908)	1,078,239
Electronic and other equipment	389,106,335	(263,110,704)	(11,855,419)	114,140,212
	<u>1,521,049,605</u>	<u>(680,504,249)</u>	<u>(332,646,368)</u>	<u>507,898,988</u>

As at 31 December 2022, the fixed assets with a carrying amount of approximately RMB 467,422,993 (a cost of RMB857,618,344) were temporarily idle due to the reorganisation transaction of JMCH, which transaction is still in process and the carrying amount of the related assets was based on the agreed price between both parties, and there was no further impairment charged during this year.

(ii) Fixed assets with pending certificates of ownership:

	Carrying amount	Reasons for not obtaining certificates of ownership
Buildings	<u>10,030,719</u>	Pending procedures

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4 Notes to the consolidated financial statements (Cont'd)

(14) Fixed assets (Cont'd)

(b) Fixed assets pending for disposal

	31 December 2022	31 December 2021
Electronic and other equipment	216,104	1,096,021
Machinery and equipment	161,363	280,051
Vehicles	397	35,315
	<u>377,864</u>	<u>1,411,387</u>

(15) Construction in progress

	31 December 2022			31 December 2021		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Projects for commercial vehicles	537,796,267		537,796,267	159,669,213		159,669,213
Projects for passenger vehicles	87,126,228		87,126,228	118,698,638		118,698,638
Projects for automobiles factory	42,929,882		42,929,882	139,257,147		139,257,147
Projects for automobile parts factory	5,424,980		5,424,980	8,550,792		8,550,792
Others	46,026,479	(691,646)	45,334,833	22,854,528	(691,646)	22,162,882
	<u>719,303,836</u>	<u>(691,646)</u>	<u>718,612,190</u>	<u>449,030,318</u>	<u>(691,646)</u>	<u>448,338,672</u>

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4 Notes to the consolidated financial statements (Cont'd)

(15) Construction in progress (Cont'd)

(a) Movement of significant projects of construction in progress

Project name	Budget (In RMB0'000)	31 December 2021	Increase in the current year	Transfer to fixed assets in the current year	Transfer to intangible assets in the current year	31 December 2022	% of project investment in budget	Progress of project	Accumulative capitalised borrowing costs	Including: Borrowing costs capitalised in the current year	Source of fund
Projects for commercial vehicles	210,755	159,669,213	582,720,627	(204,208,617)	(384,956)	537,796,267	79%	79%	-	-	Self-owned funds
Projects for passenger vehicles	83,455	118,698,638	111,588,358	(143,160,768)	-	87,126,228	57%	57%	-	-	Self-owned funds
Projects for automobiles factory	329,376	139,257,147	146,410,429	(227,723,073)	(15,014,621)	42,929,882	75%	75%	-	-	Self-owned funds
Projects for automobile parts factory	24,694	8,550,792	35,296,182	(38,421,994)	-	5,424,980	79%	79%	-	-	Self-owned funds
Others	210,755	<u>22,854,528</u>	<u>130,600,842</u>	<u>(42,372,444)</u>	<u>(65,056,447)</u>	<u>46,026,479</u>			<u>292,897</u>	<u>-</u>	Self-owned funds and borrowings
		<u>449,030,318</u>	<u>1,006,616,438</u>	<u>(655,886,896)</u>	<u>(80,456,024)</u>	<u>719,303,836</u>			<u>292,897</u>	<u>-</u>	

(b) Provision for impairment of construction in progress

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022	Reason for provision
Other miscellaneous and pending installation projects	<u>(691,646)</u>	<u>-</u>	<u>-</u>	<u>(691,646)</u>	The recoverable amount is lower than the carrying amount

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4 Notes to the consolidated financial statements (Cont'd)

(16) Right-of-use assets

	Buildings
Cost	
31 December 2021	362,092,645
Increase in the current year	
New lease contracts	1,986,861
Decrease in the current year	
Expiration of lease contract	(5,140,648)
Early termination of lease	(9,795,685)
31 December 2022	349,143,173
Accumulated depreciation	
31 December 2021	(55,866,835)
Increase in the current year	
Provision	(70,119,650)
Decrease in the current year	
Expiration of lease contract	5,140,648
Early termination of lease	5,325,554
31 December 2022	(115,520,283)
Provision for impairment	
31 December 2021	-
Increase in the current year	-
Decrease in the current year	-
31 December 2022	-
Carrying amount	
31 December 2022	233,622,890
31 December 2021	306,225,810

In 2022, depreciation of right-of-use assets amounted to RMB70,119,650 (2021:RMB41,536,327), of which RMB63,990,089, RMB819,882, RMB4,797,645 and RMB512,034 were included in cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses, respectively (2021: RMB32,683,225, RMB3,824,867, RMB3,998,038 and RMB1,030,197 were included in cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses, respectively).

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4 Notes to the consolidated financial statements (Cont'd)

(17) Intangible assets/Development expenditures

(a) Intangible assets

	Land use rights	Software use fees	Non-patent technologies	After-sales services management mode	Others	Total
Cost						
31 December 2021	755,093,373	255,342,587	779,747,498	36,979,184	1,599,516	1,828,762,158
Increase in the current year						
Purchase in the current period	-	-	137,413,132	-	-	137,413,132
Transfer from construction in progress	-	80,456,024	-	-	-	80,456,024
Internal research and development	-	-	168,941,375	-	-	168,941,375
Decrease in the current year						
Disposal	(126,129,216)	(1,160,305)	-	-	-	(127,289,521)
31 December 2022	628,964,157	334,638,306	1,086,102,005	36,979,184	1,599,516	2,088,283,168
Accumulated amortisation						
31 December 2021	(186,339,168)	(157,597,674)	(333,557,694)	(36,979,184)	(1,599,516)	(716,073,236)
Increase in the current year						
Provision	(13,480,034)	(34,744,897)	(151,199,572)	-	-	(199,424,503)
Decrease in the current year						
Disposal	59,866,979	1,160,305	-	-	-	61,027,284
31 December 2022	(139,952,223)	(191,182,266)	(484,757,266)	(36,979,184)	(1,599,516)	(854,470,455)
Provision for impairment						
31 December 2021	-	-	(38,806,961)	-	-	(38,806,961)
Increase in the current year						
Provision	-	-	-	-	-	-
31 December 2022	-	-	(38,806,961)	-	-	(38,806,961)
Carrying amount						
31 December 2022	489,011,934	143,456,040	562,537,778	-	-	1,195,005,752
31 December 2021	568,754,205	97,744,913	407,382,843	-	-	1,073,881,961

In 2022, amortisation charged to intangible assets amounted to RMB199,424,503 (2021: RMB160,287,903), of which RMB48,142, RMB454,024, RMB44,307,505 and RMB154,614,832 were included in cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses (2021: RMB415,534, RMB363,744, RMB40,110,291 and RMB119,398,334), respectively.

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4 Notes to the consolidated financial statements (Cont'd)

(17) Intangible assets/Development expenditures (Cont'd)

(b) Development expenditures

The Group's development expenditures are set out below:

	31 December 2021	Increase in the current year	Decrease in the current year Recognised in profit or loss	Recognised as intangible assets	31 December 2022
Automobile products development project	111,004,350	535,170,902	-	(168,941,375)	477,233,877

Expenditures on research and development of the Group incurred in 2022 amounted to RMB2,018,500,532 (2021: RMB1,886,139,707) in total, of which RMB1,483,329,630 (2021: RMB1,709,014,171) was recognised in profit or loss for the current period, RMB535,170,902 (2021: RMB177,125,536) was recognised in development expenditures for the current period and RMB77,578,667 (2021: RMB66,121,186) transferred from development expenditures to intangible assets for the current period and RMB457,592,235 (2021: RMB111,004,350) was included in the ending balance of development expenditures. As at 31 December 2022, the intangible assets developed by the Group accounted for 36% (31 December 2021: 38%) of the carrying amount of intangible assets.

(18) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	31 December 2022		31 December 2021	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Accrued expenses and provisions	4,978,763,776	1,120,987,322	4,820,934,400	1,096,537,713
Recoverable losses	3,634,617,217	571,696,850	1,878,611,797	282,043,452
Provision for asset impairment	1,092,015,809	168,415,220	1,209,522,802	186,548,154
Non-patent technology	208,440,047	50,268,260	155,010,935	34,890,219
Employee education funds unpaid	88,505,949	13,780,833	67,882,259	10,494,123
Deferred income	60,849,643	9,127,446	49,074,545	7,361,182
Retirement benefits plan	55,374,000	13,438,000	59,941,000	14,147,350
Others	174,643,793	29,512,438	138,426,727	23,420,738
	<u>10,293,210,234</u>	<u>1,977,226,369</u>	<u>8,379,404,465</u>	<u>1,655,442,931</u>
Including:				
Expected to be recovered within 1 year (inclusive)		1,399,402,738		1,320,586,445
Expected to be recovered after 1 year		<u>577,823,631</u>		<u>334,856,486</u>
		<u>1,977,226,369</u>		<u>1,655,442,931</u>

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4 Notes to the consolidated financial statements (Cont'd)

(18) Deferred tax assets and deferred tax liabilities (Cont'd)

(b) Deferred tax liabilities before offsetting

	31 December 2022		31 December 2021	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	2,823,844,034	652,665,271	1,685,457,873	353,019,830
Equity transactions between parent and subsidiary	408,000,000	61,200,000	408,000,000	61,200,000
Differences between the fair value of the identifiable net assets and carrying amount arising from business combinations involving enterprises not under common control	93,221,436	23,305,359	96,002,180	24,000,545
Amortisation of intangible assets	56,434,371	12,193,000	45,631,805	7,847,331
Others	2,972,698	445,905	242,329	60,582
	<u>3,384,472,539</u>	<u>749,809,535</u>	<u>2,235,334,187</u>	<u>446,128,288</u>
Including:				
Expected to be recovered within 1 year (inclusive)		145,213,640		116,988,634
Expected to be recovered after 1 year		<u>604,595,895</u>		<u>329,139,654</u>
		<u>749,809,535</u>		<u>446,128,288</u>

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4 Notes to the consolidated financial statements (Cont'd)

(18) Deferred tax assets and deferred tax liabilities (Cont'd)

- (c) Deductible temporary differences and deductible losses for which no deferred tax asset was recognised are analysed as follows:

	31 December 2022	31 December 2021
Deductible temporary differences	1,380,025,289	1,380,010,739
Deductible losses	<u>202,505,688</u>	<u>108,539,538</u>
	<u>1,582,530,977</u>	<u>1,488,550,277</u>

- (d) Deductible losses for which no deferred tax asset was recognised will be expired in following years:

	31 December 2022	31 December 2021
2024	109,336,011	108,539,538
2025	-	-
2026	-	-
2027	<u>93,169,677</u>	<u>-</u>
	<u>202,505,688</u>	<u>108,539,538</u>

- (e) The net balances of deferred tax assets and deferred tax liabilities after offsetting are as follows:

	<u>31 December 2022</u>		<u>31 December 2021</u>	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(726,504,176)	1,250,722,193	(422,127,743)	1,233,315,188
Deferred tax liabilities	(726,504,176)	23,305,359	(422,127,743)	24,000,545

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4 Notes to the consolidated financial statements (Cont'd)

(19) Provision for asset impairment and losses

	31 December 2021	Increase in the current year	Decrease in the current year		31 December 2022
			Reversal	Write- off/Disposal	
Provision for bad debts of notes receivable	-	318,421	-	-	318,421
Provision for bad debts of accounts receivable	218,532,668	35,727,702	(23,230,284)	(109,506,718)	121,523,368
Including: Provision for bad debts on the individual basis	184,043,298	35,727,702	(110,068)	(109,506,718)	110,154,214
Provision for bad debts on the grouping basis	34,489,370	-	(23,120,216)	-	11,369,154
Provision for bad debts of other receivables	1,036,560	-	(701,952)	-	334,608
Provision for bad debts of long-term receivables	193,127	-	(47,041)	-	146,086
Sub-total	<u>219,762,355</u>	<u>36,046,123</u>	<u>(23,979,277)</u>	<u>(109,506,718)</u>	<u>122,322,483</u>
Provision for decline in the value of inventories	76,739,821	9,382,217	(2,902,611)	(11,408,647)	71,810,780
Provision for impairment of fixed assets	368,969,709	763,162	-	(15,901,077)	353,831,794
Provision for impairment of construction in progress	691,646	-	-	-	691,646
Provision for impairment of goodwill	89,028,412	-	-	-	89,028,412
Provision for impairment of intangible assets	38,806,961	-	-	-	38,806,961
Sub-total	<u>574,236,549</u>	<u>10,145,379</u>	<u>(2,902,611)</u>	<u>(27,309,724)</u>	<u>554,169,593</u>
	<u>793,998,904</u>	<u>46,191,502</u>	<u>(26,881,888)</u>	<u>(136,816,442)</u>	<u>676,492,076</u>

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4 Notes to the consolidated financial statements (Cont'd)

(20) Short-term borrowings

	31 December 2022	31 December 2021
Credit loan	<u>1,100,000,000</u>	<u>300,000,000</u>

As at 31 December 2022, the above short-term borrowings were all caused by the discount of the Company's commercial acceptance bill, which bear the interest rates ranging from 2.35% to 2.75% (31 December 2021: 2.85%).

(21) Accounts payable

	31 December 2022	31 December 2021
Payable for automobile parts	8,783,467,597	9,377,900,014
Payable for raw and auxiliary materials	<u>232,510,757</u>	<u>324,684,816</u>
	<u>9,015,978,354</u>	<u>9,702,584,830</u>

As at 31 December 2022, accounts payable with ageing over one year amounted to RMB652,758,141 (31 December 2021: RMB747,156,926), which mainly represented materials payable for which a settlement price had not yet been determined, and such payables had not been finally settled yet.

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4 Notes to the consolidated financial statements (Cont'd)

(22) Contract liabilities

	31 December 2022	31 December 2021
Advances for automobiles and automobile parts	94,400,145	223,779,674
Advances for maintenance and warranty services	175,905,460	168,272,152
	<u>270,305,605</u>	<u>392,051,826</u>
Less: Contract liabilities carried forward to revenue after 1 year (Note 4(33))	(118,240,580)	(119,777,649)
	<u>152,065,025</u>	<u>272,274,177</u>

In 2022, contract liabilities amounting to RMB272,274,177 (2021: RMB558,526,846) included in the carrying amount as at 31 December 2021 were transferred to the revenue of 2022, including advances for automobiles and automobile parts amounting to RMB223,779,674 (2021: RMB521,367,837), and advances for maintenance and warranty services amounting to RMB48,494,503 (2021: RMB37,159,009).

(23) Employee benefits payable

	31 December 2022	31 December 2021
Short-term employee benefits payable (a)	631,243,123	593,229,732
Defined contribution plans payable (b)	279,041,381	168,161,617
Defined benefit plans payable (c)	2,803,000	2,930,000
Termination benefits payable (d)	2,616,176	2,665,176
	<u>915,703,680</u>	<u>766,986,525</u>

(a) Short-term employee benefits

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Wages and salaries, bonus, allowances and subsidies	465,474,414	1,757,682,763	(1,768,246,254)	454,910,923
Staff welfare	39,317,102	119,452,745	(99,602,137)	59,167,710
Social security contributions	17,331,862	131,440,053	(124,639,496)	24,132,419
Including: Medical insurance	13,375,711	123,693,643	(119,769,236)	17,300,118
Work injury insurance	3,956,151	7,746,410	(4,870,260)	6,832,301
Housing funds	192,461	187,090,100	(186,814,619)	467,942
Labour union funds and employee education funds	70,913,893	60,619,181	(38,968,945)	92,564,129
Other short-term employee benefits	-	7,831,282	(7,831,282)	-
	<u>593,229,732</u>	<u>2,264,116,124</u>	<u>(2,226,102,733)</u>	<u>631,243,123</u>

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4 Notes to the consolidated financial statements (Cont'd)

(23) Employee benefits payable (Cont'd)

(b) Defined contribution plans

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Basic pensions	163,081,887	267,975,504	(170,530,049)	260,527,342
Supplementary pensions	-	10,400,000	-	10,400,000
Unemployment insurance	5,079,730	8,361,902	(5,327,593)	8,114,039
	<u>168,161,617</u>	<u>286,737,406</u>	<u>(175,857,642)</u>	<u>279,041,381</u>

(c) Defined benefit plans

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Post-retirement benefits payable (Note 4(32))	<u>2,930,000</u>	<u>2,162,448</u>	<u>(2,289,448)</u>	<u>2,803,000</u>

(d) Termination benefits payable

	31 December 2022	31 December 2021
Early retirement benefits payable (Note 4(32))	1,278,000	1,327,000
Other termination benefits (i)	<u>1,338,176</u>	<u>1,338,176</u>
	<u>2,616,176</u>	<u>2,665,176</u>

(i) In 2022, other termination benefits paid by the Group for termination of the employment relationship were RMB2,893,734 (2021: RMB16,420,116).

(24) Taxes payable

	31 December 2022	31 December 2021
Consumption tax payable	87,601,901	85,326,751
Enterprise income tax payable	55,230,198	170,084,881
Unpaid VAT	24,542,717	434,482
Land use tax payable	4,831,953	6,174,129
Others	21,042,835	25,151,477
	<u>193,249,604</u>	<u>287,171,720</u>

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4 Notes to the consolidated financial statements (Cont'd)

(25) Other payables

	31 December 2022	31 December 2021
Promotion expenses	2,566,403,266	2,620,282,716
Research and development project expenses	1,139,399,835	877,392,808
Construction payment	534,127,177	541,897,265
Transportation expenses	239,369,691	273,386,502
Advertising and new product planning fees	160,966,200	138,500,269
Guarantees payable	111,554,518	131,123,402
Technological transformation project expenses	51,152,889	61,104,696
Consulting fees	22,274,659	14,322,912
Trademark license fee	13,971,949	15,572,521
Ordinary share dividends payable	6,463,836	6,463,836
Others	827,024,491	573,753,878
	<u>5,672,708,511</u>	<u>5,253,800,805</u>

As at 31 December 2022, other payables with ageing over one year of RMB1,696,105,568 (31 December 2021: RMB1,433,335,159) mainly comprised guarantees collected from logistics companies, distributors and repair stations, payables for construction projects and payables for research and development expenses. Such payables have not been finally settled yet in view of the continuing business transactions with distributors and service providers, and engineering projects and research and development projects that had not yet been accepted and completed.

(26) Current portion of non-current liabilities

	31 December 2022	31 December 2021
Current portion of lease liabilities (Note 4(29))	72,224,685	77,621,681
Current portion of long-term borrowings (Note 4(28))	456,071	417,507
	<u>72,680,756</u>	<u>78,039,188</u>

(27) Other current liabilities

	31 December 2022	31 December 2021
Provisions expected to be settled within 1 year (Note 4(30))	374,617,524	391,365,455
Others	12,272,018	29,091,358
	<u>386,889,542</u>	<u>420,456,813</u>

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4 Notes to the consolidated financial statements (Cont'd)

(28) Long-term borrowings

	31 December 2022	31 December 2021
Guaranteed loans(a)	2,280,355	2,505,044
Credit loans(b)	19,033,773	-
Less: Current portion of long-term borrowings (Note 4(26))	(456,071)	(417,507)
	<u>20,858,057</u>	<u>2,087,537</u>

- (a) As at 31 December 2022, the above guaranteed loans were long-term borrowings amounting to USD 327,421 guaranteed by JMCF, borrowed from Industrial and Commercial Bank of China ("ICBC"), Nanchang Ganjiang Sub-branch with interests paid every half year and the principal was paid in instalments between 10 December 2007 and 27 October 2027.

	Starting date	Maturity date	Currency	Interest rate (%)	31 December 2022		31 December 2021	
					Amount in foreign currency	RMB equivalent	Amount in foreign currency	RMB equivalent
ICBC Nanchang Ganjiang Sub-branch	27 February 1998	27 October 2027	USD	1.5%	327,421	2,280,355	392,905	2,505,044

- (b) As at December 31, 2022, the principal amount of bank credit borrowings is repayable in installments during 2024.

In 2022, the interest rate of long-term borrowings was 1.5-2.5% (2021: 1.5%).

(29) Lease liabilities

	31 December 2022	31 December 2021
Lease liabilities(a)	265,315,036	341,031,095
Less: Current portion of non-current liabilities (Note 4(26))	(72,224,685)	(77,621,681)
	<u>193,090,351</u>	<u>263,409,414</u>

- (a) As at 31 December 2022, the Group has no leases that are not included in lease liabilities but will result in potential future cash outflows.

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4 Notes to the consolidated financial statements (Cont'd)

(30) Provisions

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Product warranties (a)	569,247,478	381,747,663	(340,962,074)	610,033,067
Provisions for contract fulfilment	<u>19,705,141</u>	<u>-</u>	<u>(4,358,095)</u>	<u>15,347,046</u>
	588,952,619	381,747,663	(345,320,169)	625,380,113
Less: Provisions expected to be settled within 1 year (Note 4(27))	<u>(391,365,455)</u>			<u>(374,617,524)</u>
	<u>197,587,164</u>			<u>250,762,589</u>

(a) Product warranties are expenses expected to be incurred during the warranty period from free after-sales services, product warranty and other services for the vehicles sold.

(31) Deferred income

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022	Reason
Government grants	<u>49,074,545</u>	<u>13,525,000</u>	<u>(1,749,902)</u>	<u>60,849,643</u>	Subsidy for projects

(a) Government grants

	31 December 2021	Increase in the current year	<u>Decrease in the current year</u> Recognised in other income	31 December 2022	Asset related/ Income related
Research and development- related subsidies	48,170,026	1,900,000	(810,319)	49,259,707	Income related
Equipment purchasing- related subsidies	-	11,275,000	(939,583)	10,335,417	Asset related Income related
Others	<u>904,519</u>	<u>350,000</u>	<u>-</u>	<u>1,254,519</u>	
	<u>49,074,545</u>	<u>13,525,000</u>	<u>(1,749,902)</u>	<u>60,849,643</u>	

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4 Notes to the consolidated financial statements (Cont'd)

(32) Long-term employee benefits payable

	31 December 2022	31 December 2021
Supplementary retirement benefits and early-retirement benefits eligible for recognition of provisions	55,374,000	59,941,000
Less: Payable within 1 year	<u>(4,081,000)</u>	<u>(4,257,000)</u>
	<u>51,293,000</u>	<u>55,684,000</u>

The retirement and early-retirement benefits payable within one year are included in employee benefits payable (Note 4(23)(c), (d)).

For retired and early-retired employees, the Group provides them with a certain amount of supplementary benefits during their retirement or early-retirement period. The amount of benefits depends on the employee's position, length of service and salary at the time of retirement or early-retirement, and is adjusted in accordance with inflation rate and other factors. The Group's obligations for supplementary retirement and early-retirement benefits as at the balance sheet date were calculated using projected unit credit method and were reviewed by an external independent actuary.

(a) Movements of retirement and early-retirement benefits of the Group are as follows:

	Present value of the obligations of the defined benefit plan	
	31 December 2022	31 December 2021
Opening balance	59,941,000	67,587,000
Cost of defined benefit plans recognised in profit or loss for the current period		
- Current service cost	1,161,000	1,346,000
- Past service cost	-	(14,664,000)
- Actuarial gains or losses recognised immediately	82,000	800,000
- Net interest	1,744,000	2,463,000
Remeasurement of net liabilities for defined benefit plans		
- Actuarial gains or losses	(3,918,000)	6,218,000
Other movements		
- Benefits paid	(3,636,000)	(3,809,000)
Ending balance	55,374,000	59,941,000

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4 Notes to the consolidated financial statements (Cont'd)

(32) Long-term employee benefits payable (Cont'd)

- (b) The major actuarial assumptions used to determine the present value of defined benefit plan obligations

	31 December 2022	31 December 2021
Discount rate	3.00%	3.00%
Inflation rate	2.00%	2.00%
Salaries and benefits growth rates	0%-6%	0%-6%

Future mortality assumptions were determined based on the China Life Insurance Mortality Table (2010-2013), which is publicly available statistical information for the Chinese region.

- (c) The sensitivity analysis of the major actuarial assumptions used to determine the present value of defined benefit plan obligations is as follows:

	Variation in assumptions	Effect on present value of defined benefit obligations	
		Assumed increase	Assumed decrease
Discount rate	0.5%	Decrease of 5.6%	Increase of 6.4%
Inflation rate	0.5%	Increase of 3.7%	Decrease of 3.2%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, changes in some of the assumptions may be correlated. The projected unit credit method is also utilised in calculating the present value of the defined benefit obligations in the analysis.

- (d) Supplementary retirement and early-retirement benefits expose the Group to various risks, mainly including risk of changes in the interest rate of treasury bonds, inflation risk, etc. Decline in the interest rate of treasury bonds will lead to an increase in defined benefit plan liabilities. Supplementary retirement and early-retirement benefits obligations keep pace with inflation, and the rise in inflation will increase the defined benefit plan liabilities.

(33) Other non-current liabilities

	31 December 2022	31 December 2021
Contract liabilities carried forward to revenue after 1 year (Note 4(22))	<u>118,240,580</u>	<u>119,777,649</u>

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4 Notes to the consolidated financial statements (Cont'd)

(34) Share capital

	31 December 2021	Movements for the current year				31 December 2022
		Shares newly issued	Bonus share	Transfer from capital surplus	Others	
Shares subject to trading restriction -						
Other domestic shares						
Including: Shares held by domestic non- state-owned legal persons	745,140	-	-	-	-	745,140
Shares held by domestic natural persons	5,700	-	-	-	-	5,700
	<u>750,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,840</u>
Shares not subject to trading restriction -						
Ordinary shares denominated in RMB	518,463,160	-	-	-	-	518,463,160
Domestically listed foreign shares	344,000,000	-	-	-	-	344,000,000
	<u>862,463,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,463,160</u>
	<u>863,214,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,214,000</u>

Since the implementation of the Company's Scheme on Share Split Reform on 13 February 2006, as at 31 December 2022, there were 750,840 shares currently unavailable for trading. During the reporting period, there was no shares with trading restrictions released from the restricted conditions.

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4 Notes to the consolidated financial statements (Cont'd)

(34) Share capital (Cont'd)

	31 December 2020	Movements for the current year					31 December 2021
		Shares newly issued	Bonus share	Transfer from capital surplus	Others	Sub-total	
Shares subject to trading restriction -							
Other domestic shares							
Including: Shares held by domestic non-state-owned legal persons	745,140	-	-	-	-	-	745,140
Shares held by domestic natural persons	5,700	-	-	-	-	-	5,700
	<u>750,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,840</u>
Shares not subject to trading restriction -							
Ordinary shares denominated in RMB	518,463,160	-	-	-	-	-	518,463,160
Domestically listed foreign shares	344,000,000	-	-	-	-	-	344,000,000
	<u>862,463,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>862,463,160</u>
	<u>863,214,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>863,214,000</u>

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4 Notes to the consolidated financial statements (Cont'd)**(35) Capital surplus**

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Share premium	816,609,422	-	-	816,609,422
Other capital surplus	22,833,068	-	-	22,833,068
	<u>839,442,490</u>	<u>-</u>	<u>-</u>	<u>839,442,490</u>

	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Share premium	816,609,422	-	-	816,609,422
Other capital surplus	22,833,068	-	-	22,833,068
	<u>839,442,490</u>	<u>-</u>	<u>-</u>	<u>839,442,490</u>

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4 Notes to the consolidated financial statements (Cont'd)

(36) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2022				
	31 December 2021	Attributable to the parent company after tax	31 December 2022	Amount incurred before income tax for the current year	Less: Transfer-out of previous other comprehensive income in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to the subsidiary after tax
Other comprehensive income that will not be reclassified to profit or loss								
Actuarial gains on defined benefit plans	(16,422,750)	2,938,500	(13,484,250)	3,918,000	-	(979,500)	2,938,500	-
	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2021				
	31 December 2020	Attributable to the parent company after tax	31 December 2021	Amount incurred before income tax for the current year	Less: Transfer-out of previous other comprehensive income in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to the subsidiary after tax
Other comprehensive income that will not be reclassified to profit or loss								
Actuarial gains on defined benefit plans	(11,759,250)	(4,663,500)	(16,422,750)	(6,218,000)	-	1,554,500	(4,663,500)	-

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4 Notes to the consolidated financial statements (Cont'd)

(37) Surplus reserve

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
Statutory surplus reserve	<u>431,607,000</u>	<u>-</u>	<u>-</u>	<u>431,607,000</u>
	31 December 2020	Increase in the current year	Decrease in the current year	31 December 2021
Statutory surplus reserve	<u>431,607,000</u>	<u>-</u>	<u>-</u>	<u>431,607,000</u>

In accordance with the *Company Law of the People's Republic of China*, the Company's Articles of Association and the resolution of the Board of Directors, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The statutory surplus reserve can be used to make up for the loss or increase the share capital upon approval from the appropriate authorities. As the accumulated appropriation to the statutory surplus reserve exceeded 50% of the registered capital, no appropriation was made in the current year (2021: Nil).

The Company reserves the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The discretionary surplus reserve can be used to compensate for the losses incurred in prior years or increase the share capital upon approval from appropriate authorities.

(38) Retained earnings

	2022	2021
Retained earnings at the beginning of the year	6,437,603,849	8,863,969,769
Add: Net profit attributable to shareholders of the parent company for the current year	915,049,168	574,165,944
Less: Ordinary share dividends payable (a)	<u>(229,614,924)</u>	<u>(3,000,531,864)</u>
Retained earnings at the end of the year	<u>7,123,038,093</u>	<u>6,437,603,849</u>

- (a) According to the resolution of the shareholders' meeting on 24 June 2022, the Company distributed cash dividends of RMB0.266 per share to all shareholders, calculated on the basis of 863,214,000 issued shares, for a total of RMB229,614,924.

According to the resolution of the meeting of Board of Directors on 28 March 2023, the Board of Directors proposed to distribute cash dividends of RMB0.424 per share to all shareholders, calculated on the basis of 863,214,000 issued shares, for a total of RMB366,002,736 (Note 10).

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4 Notes to the consolidated financial statements (Cont'd)

(39) Revenue and cost of sales

	2022	2021
Revenue from main operations	29,592,525,919	34,530,048,320
Revenue from other operations	507,757,923	691,258,152
	<u>30,100,283,842</u>	<u>35,221,306,472</u>
	2022	2021
Cost of sales from main operations	25,336,987,529	29,485,820,650
Cost of sales from other operations	475,277,339	631,633,717
	<u>25,812,264,868</u>	<u>30,117,454,367</u>

(a) Revenue and cost of sales from main operations

	2022		2021	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of automobiles	27,069,207,538	23,355,537,374	32,317,182,099	27,809,982,305
Sales of automobile parts	2,412,993,540	1,872,040,360	2,101,505,690	1,557,352,106
Automobile maintenance services, etc.	110,324,841	109,409,795	111,360,531	118,486,239
	<u>29,592,525,919</u>	<u>25,336,987,529</u>	<u>34,530,048,320</u>	<u>29,485,820,650</u>

(b) Revenue and cost of sales from other operations

	2022		2021	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	366,469,354	339,411,405	561,673,748	505,559,175
Others	141,288,569	135,865,934	129,584,404	126,074,542
	<u>507,757,923</u>	<u>475,277,339</u>	<u>691,258,152</u>	<u>631,633,717</u>

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4 Notes to the consolidated financial statements (Cont'd)

(39) Revenue and cost of sales (Cont'd)

(c) The Group's revenue is broken down as follows:

	2022				Total
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	
Revenue from main operations	27,069,207,538	2,412,993,540	110,324,841	-	29,592,525,919
Including: Recognised at a time point	27,069,207,538	2,412,993,540	-	-	29,482,201,078
Recognised within a certain period	-	-	110,324,841	-	110,324,841
Revenue from other operations (i)	-	-	-	507,757,923	507,757,923
	<u>27,069,207,538</u>	<u>2,412,993,540</u>	<u>110,324,841</u>	<u>507,757,923</u>	<u>30,100,283,842</u>
	2021				Total
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	
Revenue from main operations	32,317,182,099	2,101,505,690	111,360,531	-	34,530,048,320
Including: Recognised at a time point	32,317,182,099	2,101,505,690	-	-	34,418,687,789
Recognised within a certain period	-	-	111,360,531	-	111,360,531
Revenue from other operations (i)	-	-	-	691,258,152	691,258,152
	<u>32,317,182,099</u>	<u>2,101,505,690</u>	<u>111,360,531</u>	<u>691,258,152</u>	<u>35,221,306,472</u>

(i) The Group's Revenue from other operations includes sales of materials and technical service provided, etc. Of which, revenue from sales of materials is recognized at a certain point in time, and revenue from technical service provided is recognized within a certain period

As at 31 December 2022, the amount of revenue corresponding to the performance obligations that the Group has signed but has not performed or has not yet performed is RMB270,305,605, of which the Group expects that RMB94,400,145 and RMB57,664,880 will be recognised as revenue from the sales of automobiles and parts and revenue from the sales of automobile maintenance services, etc respectively in 2023, RMB118,240,580 will be recognised as revenue from automobile maintenance services, etc during 2024 to 2028.

(40) Taxes and surcharges

	2022	2021
Consumption tax	690,818,768	760,386,647
City maintenance and construction tax	99,989,565	82,265,926
Educational surcharge	98,742,654	76,717,032
Land use tax	22,286,670	18,625,222
Real estate tax	20,887,510	17,284,111
Stamp duty	18,217,884	12,397,463
Others	451,064	472,592
	<u>951,394,115</u>	<u>968,148,993</u>

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4 Notes to the consolidated financial statements (Cont'd)

(41) Selling and distribution expenses

	2022	2021
Promotion expenses	413,790,869	462,406,230
Warranties	381,747,663	454,077,121
Employee benefits	214,370,379	189,694,233
Advertising and new product planning fees	187,517,174	186,501,944
Storage expenses	48,853,162	48,592,062
Packaging material expenses	31,608,268	36,696,621
Sales network construction expenses	10,037,336	14,063,346
Depreciation and amortisation expenses	3,558,412	6,154,385
Others	153,411,448	133,622,101
	<u>1,444,894,711</u>	<u>1,531,808,043</u>

(42) General and administrative expenses

	2022	2021
Employee benefits	544,315,552	576,689,666
Depreciation and amortisation expenses	143,207,652	169,879,385
Trademark license fee	68,813,097	56,532,031
Repair expenses	37,951,031	56,019,261
Consulting expenses	26,261,406	38,531,796
General office expenses	17,095,983	26,545,639
Cartage fee	11,458,649	40,886,163
Others	115,682,975	187,134,649
	<u>964,786,345</u>	<u>1,152,218,590</u>

(43) Research and development expenses

	2022	2021
Employee benefits	430,170,063	483,915,948
Design fee	304,491,964	378,814,577
Depreciation and amortisation expenses	220,663,278	185,957,163
Materials expenses	197,330,293	204,200,408
Technology development expenses	190,609,379	239,561,528
Others	140,064,653	216,564,547
	<u>1,483,329,630</u>	<u>1,709,014,171</u>

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4 Notes to the consolidated financial statements (Cont'd)

(44) Financial expenses

	2022	2021
Interest costs	36,417,358	17,868,043
Add: Interest costs on lease liabilities	12,887,851	7,532,316
Less: Government grants	-	(1,760,125)
Interest expenses	<u>49,305,209</u>	<u>23,640,234</u>
Less: Interest income from cash at bank	(220,037,622)	(257,779,550)
Other interest income	<u>(16,271,337)</u>	<u>(42,622,289)</u>
Interest income	(236,308,959)	(300,401,839)
Exchange gains or losses	22,205,504	(21,273,861)
Others	890,900	2,279,909
	<u>(163,907,346)</u>	<u>(295,755,557)</u>

(45) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	2022	2021
Changes in inventories of finished goods and work in progress	(3,902,524)	137,184,837
Consumed raw materials and low value consumables, etc.	22,878,764,631	26,762,865,094
Employee benefits	2,556,734,264	2,614,387,917
Depreciation of fixed assets	906,176,838	887,989,750
Amortisation of intangible assets	199,424,503	160,287,903
Depreciation of right-of-use assets	70,119,650	41,536,327
Transportation expenses	610,883,899	803,085,951
Promotion expenses	413,790,869	462,406,230
Warranties	381,747,663	454,077,121
Design fee	304,491,964	378,814,577
Technology development expenses	190,609,379	239,561,528
Advertising and new product planning fees	187,517,174	186,501,944
Fixed asset repair and maintenance expenses		
(a)	122,958,397	184,972,267
Others	885,958,847	1,196,823,725
	<u>29,705,275,554</u>	<u>34,510,495,171</u>

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4 Notes to the consolidated financial statements (Cont'd)

(45) Expenses by nature (Cont'd)

(a) The Group includes daily maintenance expenses ineligible for the capitalisation of fixed assets regarding the production and processing of inventories into cost of inventories, which will be carried forward to cost of sales, and those regarding the R&D Department, Administrative Department, and Sales Department are included in research and development expenses, management expenses and selling and distribution expenses respectively.

(b) As stated in Note 2(22), the Group directly recognises the lease payments of short-term lease and low value lease into profit or loss for the current period. In 2022, the amount was RMB5,147,442 (2021: RMB1,066,925).

The lessor exempted the Group from paying the rental of RMB22,851 for the 2022, and the Group has deducted the above rental waivers against the rental expense for the current period (2021: RMB47,937).

(46) Asset impairment losses

	2022	2021
Losses on decline in the value of inventories	6,479,606	39,635,051
Impairment of fixed assets	763,162	3,638,401
	<u>7,242,768</u>	<u>43,273,452</u>

(47) Credit impairment losses

	2022	2021
Losses on bad debts of notes receivable	318,421	-
Losses on bad debts of accounts receivable	12,497,418	(15,345,078)
Losses on bad debts of other receivables	(701,952)	823,789
Losses on bad debts of long-term receivables	(47,041)	193,127
	<u>12,066,846</u>	<u>(14,328,162)</u>

(48) Other income

	2022	2021	Asset related/ Income related
Supporting funds by government	906,908,600	516,410,000	Income related
Equipment purchasing-related subsidies	939,583	-	Asset related
Research and development activities related subsidies	810,319	11,770,150	Income related
Other subsidies related with daily operation	34,668,054	22,891,095	Income related
	<u>943,326,556</u>	<u>551,071,245</u>	

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4 Notes to the consolidated financial statements (Cont'd)

(49) Investment income

	2022	2021
Losses on discount of financing receivables eligible for derecognition	(15,303,265)	(25,013,202)
Investment loss from forward exchange settlement	(13,534,785)	(20,618,121)
Losses on long-term equity investments under equity method	(8,768,433)	(22,245,293)
Investment income from financial assets held for trading	1,523,836	15,174,593
Investment income from disposal of long-term equity investments	-	52,133,307
	<u>(36,082,647)</u>	<u>(568,716)</u>

There is no significant restriction on the remittance of investment income of the Group.

(50) Gains on changes in fair value

	2022	2021
Derivative financial assets and derivative financial liabilities -		
Gains/(Loss) on forward exchange contracts	13,677,317	(6,987,892)
Financial assets at fair value through profit or loss -		
Structural deposits	(242,329)	(3,650,656)
	<u>13,434,988</u>	<u>(10,638,548)</u>

(51) Gains on disposal of assets

	2022	2021	Amount recognised in non-recurring profit or loss in 2022
Gains on disposal of assets (i)	<u>391,369,117</u>	<u>16,977,005</u>	<u>391,369,117</u>

- (i) The gains generated from disposal of land and above-ground buildings of Qingyunpu Factory in this year was RMB394,117,791.

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4 Notes to the consolidated financial statements (Cont'd)

(52) Non-operating income

	2022	2021	Amount recognised in non-recurring profit or loss in 2022
Compensation and penalty income	3,539,296	3,437,808	3,539,296
Others	248,972	1,169,029	248,972
	<u>3,788,268</u>	<u>4,606,837</u>	<u>3,788,268</u>

(53) Non-operating expenses

	2022	2021	Amount recognised in non-recurring profit or loss in 2022
Losses on scrapping of assets	2,117,642	11,869,191	2,117,642
Donations	2,007,280	1,995,000	2,007,280
Others	357,040	584,761	357,040
	<u>4,481,962</u>	<u>14,448,952</u>	<u>4,481,962</u>

(54) Income tax expenses

	2022	2021
Current income tax calculated based on tax law and related regulations	55,769,297	170,451,319
Deferred income tax	(19,081,691)	(188,145,817)
	<u>36,687,606</u>	<u>(17,694,498)</u>

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4 Notes to the consolidated financial statements (Cont'd)

(54) Income tax expenses (Cont'd)

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is listed below:

	2022	2021
Total profit	899,566,225	556,471,446
Income tax calculated at applicable tax rates	120,419,762	(149,370,177)
Effect of change in the tax rates	123,447,198	46,112,633
Additional deductions	(230,686,396)	(166,139,453)
Deductible loss and temporary differences of the unrecognised deferred tax asset in the current period	23,495,176	206,931,524
Tax deduction	(1,487,861)	-
Non-deductible investment losses	1,315,266	3,221,355
Debt exemption between parent and subsidiary	-	41,735,873
Costs, expenses and losses not deductible for tax purposes	184,461	16,317,418
Utilisation of the deductible loss and temporary differences of the unrecognised deferred tax asset in the previous period	-	(16,503,671)
Income tax expenses	<u>36,687,606</u>	<u>(17,694,498)</u>

(55) Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of outstanding ordinary shares of the parent company:

	2022	2021
Consolidated net profit attributable to ordinary shareholders of the parent company	915,049,168	574,165,944
Weighted average number of ordinary shares outstanding issued by the Company	<u>863,214,000</u>	<u>863,214,000</u>
Basic earnings per share	<u>1.06</u>	<u>0.67</u>

- (b) Diluted earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of outstanding ordinary shares of the Company. As there were no dilutive potential ordinary shares in 2022 (2021: Nil), diluted earnings per share equalled to basic earnings per share.

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4 Notes to the consolidated financial statements (Cont'd)**(56) Notes to the cash flow statement****(a) Cash received relating to other operating activities**

	2022	2021
Government grants	955,101,654	551,961,290
Guarantees for bidding	33,371,024	39,786,000
Guarantees from distributors	27,191,136	113,421,092
Others	33,097,597	31,612,504
	<u>1,048,761,411</u>	<u>736,780,886</u>

(b) Cash paid relating to other operating activities

	2022	2021
Research and development expenses	816,368,325	738,436,009
Promotion expenses	476,208,872	374,879,458
Warranties	394,991,987	432,219,371
Advertising expenses	173,112,926	222,689,351
Maintenance expenses	83,223,085	129,000,432
Guarantees	78,907,867	123,112,381
Trademark royalties	64,658,976	37,289,547
Consulting Fees	55,227,003	75,454,111
Others	533,553,375	779,496,512
	<u>2,676,252,416</u>	<u>2,912,577,172</u>

(c) Cash received relating to other investing activities

	2022	2021
Interest from cash at bank	213,506,326	262,810,420
Other interest	17,774,117	15,893,796
	<u>231,280,443</u>	<u>278,704,216</u>

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4 Notes to the consolidated financial statements (Cont'd)

(56) Notes to the cash flow statement (Cont'd)

(d) Cash paid relating to other financing activities

	2022	2021
Payments of lease liabilities	18,852,333	14,398,829
Others	127,976	1,664,464
	<u>18,980,309</u>	<u>16,063,293</u>

(57) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	2022	2021
Net profit	862,878,619	574,165,944
Add: Provision for asset impairment (Note 4(46))	7,242,768	43,273,452
Provision for credit impairment (Note 4(47))	12,066,846	(14,328,162)
Depreciation of fixed assets (Note 4(14))	906,176,838	887,989,750
Amortisation of intangible assets (Note 4(17))	199,424,503	160,287,903
Depreciation of right-of-use assets (Note 4(16))	70,119,650	41,536,327
Increase in provisions (Note 4(30))	36,427,494	49,934,971
Gains on disposal of long-term assets	(389,251,475)	(5,107,814)
Financial expenses	(164,683,747)	(275,191,314)
Investment income (Note 4(49))	36,082,647	568,716
(Gains)/Losses on changes in fair value (Note 4(50))	(13,434,988)	10,638,548
Increase in deferred tax assets	(18,386,505)	(85,151,198)
Decrease in deferred tax liabilities	(695,186)	(102,994,619)
Increase in inventories	(324,847,715)	(134,813,338)
(Increase)/Decrease in operating receivables	(2,216,547,690)	196,013,053
(Decrease)/Increase in operating payables	(521,146,011)	413,370,791
Net cash flows from operating activities	<u>(1,518,573,952)</u>	<u>1,760,193,010</u>

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4 Notes to the consolidated financial statements (Cont'd)

(57) Supplementary information to the cash flow statement (Cont'd)

(a) Supplementary information to the cash flow statement (Cont'd)

Net increase/(decrease) in cash and cash equivalents

	2022	2021
Cash and cash equivalents at the end of the year	8,543,193,654	9,569,051,314
Less: Cash and cash equivalents at the beginning of the year	<u>(9,569,051,314)</u>	<u>(11,121,955,129)</u>
Net decrease in cash and cash equivalents	<u>(1,025,857,660)</u>	<u>(1,552,903,815)</u>

(b) Cash and cash equivalents

	31 December 2022	31 December 2021
Cash at bank available for payment at any time	7,656,947,735	8,509,470,334
Cash at finance company available for payment at any time	<u>886,245,919</u>	<u>1,059,580,980</u>
	<u>8,543,193,654</u>	<u>9,569,051,314</u>

(58) Foreign currency monetary items

	31 December 2022		
	Amounts in foreign currencies	Translation exchange rate	Amounts in RMB
Long-term borrowings - USD	327,421	6.9646	<u>2,280,355</u>
Other payables - USD	36,364,457	6.9646	253,263,898
EUR	33,288	7.4229	247,094
			<u>253,510,992</u>

JIANGLING MOTORS CORPORATION, LTD.

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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5 Equity in other entities

(1) Equity in subsidiaries

Structure of the Group

Subsidiaries	Main place of business	Place of registration	Nature of business	Shareholding (%)		Method of acquisition
				Direct	Indirect	
JMCS	Nanchang, Jiangxi	Nanchang, Jiangxi	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
JMCH (i)	Taiyuan, Shanxi	Taiyuan, Shanxi	Manufacture and sales of automobiles	100%	-	Business combinations involving enterprises not under common control
SZFJ	Shenzhen, Guangdong	Shenzhen, Guangdong	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
GZFJ	Guangzhou, Guangdong	Guangzhou, Guangdong	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
Jiangling Ford (Shanghai)(a)	Shanghai	Shanghai	Sales of automobiles, technical and business information consultation	51%	-	Set up by investment

(i) According to the resolution of Board of Directors held from 30 April 2021 to 6 May 2021, the Company sold 100% equity of JMCH held by the Company through Shanxi Property Rights Exchange at a price of not less than RMB764,069,207. On 9 August 2021, the listing announcement period has expired and Volvo Lastvagnar Aktiebolag ("Volvo") became the intended transferee for the equity transaction. On 23 August 2021, the Company and Volvo reached an agreement through negotiation and signed the *Equity Transaction Agreement on 100% Equity of Jiangling Heavy Duty Truck Co., Ltd.* The benchmark price for equity transfer is RMB781,400,000. As at 31 December 2022, the equity transaction has not yet been completed because the review process by the relevant state authorities is under approval, so JMCH remains as a subsidiary of the Company and is included in the consolidated financial statements.

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5 Interests in other entities (Cont'd)

(1) Equity in subsidiaries (Cont'd)

(a) Subsidiaries with significant minority interests

Subsidiaries	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 31 December 2022	Dividends paid to minority shareholders for the year ended 31 December 2022 (i)	Minority interests as at 31 December 2022
Jiangling Ford (Shanghai)	49%	(52,170,549)	-	(3,170,549)

Key financial information of the above significant non-wholly owned subsidiaries is presented below.

	As at December 31 2022					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jiangling Ford (Shanghai)	<u>348,631,416</u>	<u>94,602,499</u>	<u>443,233,915</u>	<u>449,704,423</u>	<u>-</u>	<u>449,704,423</u>

	2022			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Jiangling Ford (Shanghai)	124,029,583	(106,470,508)	(106,470,508)	(20,888,628)

As of December 31 2022, Jiangling Ford (Shanghai) is operating. The Company and Ford have paid RMB51,000,000 and RMB49,000,000 respectively. As of February 28 2023, the Company and Ford had fully paid-in capital.

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5 Interests in other entities (Cont'd)

(2) Equity in associates

(a) General information of significant associates

	Place of registration	Shareholding (%)	
		Direct	Indirect
Associate - The Power Company	Taiyuan, Shanxi	40%	-

(b) Summarised financial information for significant associates

	31 December 2022 The Power Company	31 December 2021 The Power Company
Current assets	194,926,320	153,906,457
Non-current assets	426,146,460	421,186,131
Total assets	621,072,780	575,092,588
Current liabilities	107,387,068	35,108,575
Non-current liabilities	152,778	-
Total liabilities	107,539,846	35,108,575
Minority interests	205,413,174	215,993,605
Attributable to shareholders of the parent company	308,119,760	323,990,408
Share of net assets based on shareholding (i)	205,413,174	215,993,605
Adjustments		
- Unrealised profits arising from internal transactions	(15,210,808)	(16,004,313)
- Others (ii)	20,853,323	20,853,323
Carrying amount of equity investments in associates	211,055,689	220,842,615

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6 Equity in other entities (Cont'd)

(2) Equity in associates (Cont'd)

(b) Summarised financial information for significant associates (Cont'd)

	2022 The Power Company	From 5 November 2021 (date of the equity delivery) to 31 December 2021 The Power Company
Revenue	92,711,191	4,211,261
Net loss	(26,440,535)	(7,882,680)
Other comprehensive income	-	-
Total comprehensive loss	<u>(26,440,535)</u>	<u>(7,882,680)</u>
Dividends received from associates by the Group	<u>-</u>	<u>-</u>

- (i) The Group calculated the shares of net assets in proportion of the shareholdings and based on the amount attributable to the parent company of the associates in their consolidated financial statements. The amount in the consolidated financial statements of associates considers the impacts of fair value of identifiable assets and liabilities of associates at the time of acquisition and the unification of accounting policies. None of the assets involved in transactions between the Group and associates contribute to business.
- (ii) Other adjustments were mainly the remeasurement for fair value of remaining equity in the consolidated financial statements, which resulted from the loss of control over the original subsidiary due to the disposal of part of the equity investment.
- (c) Summarised information of insignificant associates

	2022	2021
Aggregated carrying amount of investments	<u>37,427,133</u>	<u>36,408,640</u>
Aggregate of the following items in proportion		
Net profit/(loss) (i)	1,018,493	(3,087,908)
Other comprehensive income (i)	-	-
Total comprehensive income/(loss)	<u>1,018,493</u>	<u>(3,087,908)</u>

- (i) Net profit and other comprehensive income have taken into account the fair value of identifiable assets and liabilities at the time of acquisition of the investments and the impact of adjustments to uniform accounting policies.

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6 Segment information

Revenue and profits of the Company mainly arise from production and domestic sales of automobiles, and the primary assets of the Group are all located in China. Management of the Group assesses the operating performance of the Group as a whole. Therefore, no segment report is prepared for the current year.

During 2022, the operating revenue obtained from a single customer of the Group accounted for more than 10% of the Group's operating revenue (2021: Nil), amounting to RMB5,907,094,789, or 19.62% of the Group's operating revenue.

7 Related parties and related party transactions

(1) Information of major shareholders

(a) General information of major shareholders

	Type of enterprise	Place of registration	Legal representative	Nature of business	Code of organisation
JIC	State-owned enterprise	Nanchang, China	Qiu Tiangao	Investment and asset management Manufacture and sales of automobiles	91360125MA38LUR91F
Ford	Foreign enterprise	United States	William Clay Ford, Jr.		N/A

(b) Registered capital and changes in major shareholders

	31 December 2021	Increase in the current year	Decrease in the current year	31 December 2022
JIC	1,000,000,000	-	-	1,000,000,000
Ford	USD 41,000,000	USD 1,000,000	-	USD 42,000,000

(c) The percentages of shareholding and voting rights in the Company held by major shareholders

	31 December 2022		31 December 2021	
	Shareholding	Voting rights	Shareholding	Voting rights
JIC	41.03%	41.03%	41.03%	41.03%
Ford	32%	32%	32%	32%

(2) Information of subsidiaries

The general information and other related information of subsidiaries are set out in Note 5(1).

(3) Information of associates

The information of associates is set out in Note 4(13).

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7 Related parties and related party transactions (Cont'd)

(4) Information of other related parties

	Relationship with the Group
JMCG	Shareholder of JIC
Chongqing Changan Automobile Co., Ltd.	Shareholder of JIC
Jiangxi JMCG Industry Co., Ltd.	Wholly-owned subsidiary of JMCG
Jiangxi Lingrui Recycling Resources Development Corporation	Wholly-owned subsidiary of JMCG
Jiangling Material Co., Ltd.	Wholly-owned subsidiary of JMCG
JMCG Property Management Co.	Wholly-owned subsidiary of JMCG
JMCG Jingma Motors Co., Ltd.	Wholly-owned subsidiary of JMCG
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Wholly-owned subsidiary of JMCG
JMCF	Holding subsidiary of JMCG
Jiangxi Jiangling Chassis Co., Ltd.	Holding subsidiary of JMCG
Nanchang JMCG Xinchun Auto Component Co., Ltd.	Holding subsidiary of JMCG
Nanchang JMCG Shishun Logistics Co., Ltd.	Holding subsidiary of JMCG
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Holding subsidiary of JMCG
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Holding subsidiary of JMCG
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	Holding subsidiary of JMCG
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Wholly-owned subsidiary of Ford
Ford Global Technologies, LLC	Wholly-owned subsidiary of Ford
Ford Motor Co. Thailand Ltd.	Wholly-owned subsidiary of Ford
Ford Motor (China) Co., Ltd.	Wholly-owned subsidiary of Ford
Ford Trading Company, LLC	Wholly-owned subsidiary of Ford
Ford Vietnam Limited	Holding subsidiary of Ford
Auto Alliance (Thailand) Co., Ltd.	Holding subsidiary of Ford
Ford Otomotiv Sanayi A.S.	Holding subsidiary of Ford
Changan Ford Automobile Co., Ltd.	Joint venture of Ford
JMCG Jiangxi Engineering Construction Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Subsidiary under indirect control of JMCG
Jiangling Aowei Automobile Spare Part Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang Lianda Machinery Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang JMCG Frame Co., Ltd.	Subsidiary under indirect control of JMCG
Nanchang Gear Forging Co., Ltd.(i)	Subsidiary under indirect control of JMCG
Jiangxi JMCG Boya brake system Co., Ltd.	Subsidiary under indirect control of JMCG
China Changan Group Tianjin Sales Co., Ltd.	Group subsidiary of JIC's shareholder
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Group subsidiary of JIC's shareholder
Chongqing Anfu Vehicle Marketing Co., Ltd.	Group subsidiary of JIC's shareholder
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Group subsidiary of JIC's shareholder

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7 Related parties and related party transactions (Cont'd)

(4) Information of other related parties (Cont'd)

	Relationship with the Group
Chongqing Anbo Vehicle Sales Co., Ltd.	Group subsidiary of JIC's shareholder
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Group subsidiary of JIC's shareholder
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Group subsidiary of JIC's shareholder
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Group subsidiary of JIC's shareholder
Guizhou Wanjia Automobile Sales and Service Co. LTD	Group subsidiary of JIC's shareholder
Jiangxi Jiangling Lear Interior System Co., Ltd.	Joint venture of JMCG
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Joint venture of JMCG
Nanchang Unistar Electric & Electronics Co., Ltd.	Joint venture of JMCG
Nanchang Yinlun Heat-exchanger Co., Ltd.	Joint venture of JMCG
Jiangxi ISUZU Engine Co., Ltd.	Joint venture of JMCG
Jiangxi ISUZU Co., Ltd.	Joint venture of JMCG
Dibao transportation equipment (Nanchang) Co., Ltd	Joint venture of JMCG
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Associate of JMCG
Jiangling Motor Holdings Co., Ltd.	Associate of JMCG
Magna PT Powertrain (Jiangxi) Co., Ltd.	Associate of JMCG
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Associate of JMCG
Jiangxi JMCG Motorhome Co.,Ltd.	Associate of JMCG
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Associate of JMCG
Nanchang Hengou Industry Co., Ltd.	Associate of JMCG
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Associate of JMCG
Jiangling Motor Electricity Vehicle Co., Ltd.	Associate of JMCG
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Associate of JMCG
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Associate of JMCG
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Associate of JMCG
Jiangxi Lingyun Automobile Industry Technology Co.,Ltd	Associate of JMCG
Jiujiang Fuwantong Vehicle Co., Ltd.	Associate of JMCG
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Associate of JMCG

(i) In March 2022, NC.Gear Forging Factory was renamed to Nanchang Gear Forging Co.,Ltd.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions

(a) Purchase and sales of goods, provision and receipt of services

Purchase of goods:

Related parties	Nature of related party transactions	2022	2021
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of automobile parts	924,968,624	772,387,021
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of automobile parts	893,746,762	787,759,240
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Purchase of raw materials	853,482,030	967,549,307
Jiangxi Jiangling Chassis Co., Ltd.	Purchase of automobile parts	667,746,553	898,433,987
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase of automobile parts	592,001,464	513,132,683
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Purchase of automobile parts	591,833,347	470,431,786
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of automobile parts	522,742,154	985,020,418
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Purchase of automobile parts	463,742,380	477,760,140
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of automobile parts	369,597,043	416,531,044
Nanchang Unistar Electric & Electronics Co., Ltd.	Purchase of automobile parts	324,877,090	344,122,534
Ford	Purchase of automobile parts	322,131,155	627,489,896
Nanchang JMCG Shishun Logistics Co., Ltd.	Purchase of automobile parts	180,558,765	366,945,009
Hanon Systems	Purchase of automobile parts	158,047,018	213,213,340
Jiangxi Lingyun Automobile Industry Technology Co., Ltd.	Purchase of automobile parts	103,896,591	37,844,846
Nanchang Yinlun Heat-exchanger Co., Ltd.	Purchase of automobile parts	102,105,085	112,831,150
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Purchase of automobile parts	101,065,187	105,244,091
JMCG	Purchase of automobile parts	88,653,236	179,153,533
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Purchase of automobile parts	77,843,750	90,812,109

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Purchase of goods (Cont'd):

Related parties	Nature of related party transactions	2022	2021
Dibao transportation equipment (Nanchang) Co., Ltd.	Purchase of automobile parts	72,666,598	92,353,687
Nanchang Lianda Machinery Co., Ltd.	Purchase of automobile parts	41,535,015	72,039,671
Changan Ford Automobile Co., Ltd.	Purchase of automobile parts	41,230,580	48,145,204
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Purchase of automobile parts	35,235,246	33,875,299
Auto Alliance (Thailand) Company Limited	Purchase of automobile parts	32,471,122	45,310,450
Jiangling Material Co., Ltd.	Purchase of raw materials	32,216,397	32,138,057
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of automobile parts	28,779,924	41,659,140
Jiangxi Lingrui Recycling Resources Development Corporation	Purchase of automobile parts	21,762,663	8,484,962
Jiangxi JMCG Boya brake system Co., Ltd.	Purchase of automobile parts	19,380,235	30,510,070
Jiangling Motor Holdings Co., Ltd.	Purchase of automobile parts	17,697,962	43,636,191
Jiangxi ISUZU Engine Co., Ltd.	Purchase of automobile parts	15,633,287	20,171,236
The Power Company	Purchase of automobile parts	12,857,369	873,543
Ford Otomotiv Sanayi A.S.	Purchase of automobile parts	11,853,176	22,119,616
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	Purchase of automobile parts	11,199,030	14,081,765
Jiangling Aowei Automobile Spare Part Co., Ltd.	Purchase of automobile parts	10,490,081	18,664,870
Nanchang JMCG Xinchun Auto Component Co., Ltd.	Purchase of automobile parts	6,378,562	14,697,466
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Purchase of automobile parts	5,568,158	3,510,953
Nanchang Hengou Industry Co., Ltd.	Purchase of automobile parts	3,423,048	3,105,865

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Purchase of goods (Cont'd):

Related parties	Nature of related party transactions	2022	2021
Ford Motor Co. Thailand Ltd.	Purchase of automobile parts	3,277,641	3,939,065
Nanchang Gear Forging Co.,Ltd.	Purchase of automobile parts	3,004,555	9,391,656
Jiangxi JMCG Industry Co., Ltd.	Purchase of automobile parts	174,875	10,268,410
Other related parties	Purchase of automobile parts	1,927,294	3,146,015
		<u>7,767,801,052</u>	<u>8,938,785,325</u>

The products purchased by the Group from related parties are divided into two categories: purchase of imported parts and purchase of domestic parts.

- The pricing on imported parts purchased from Ford or its suppliers is based on the agreed price by both parties;
- The pricing on domestic accessories purchased from other related parties is determined through quotation, cost accounting, and negotiation between the two parties, and is adjusted regularly.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Receipt of services:

Related parties	Nature of related party transactions	2022	2021
Nanchang JMCG Shishun Logistics Co., Ltd.	Transportation, removal fee, etc.	298,629,305	308,005,709
Ford Global Technologies, LLC	Trademark management fees, technology development	246,334,027	278,546,988
Ford	Technical services and personnel costs	204,118,407	110,282,579
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Cartage fee, storage fee, etc.	30,384,153	12,343,777
Jiangxi JMCG Industry Co., Ltd.	Meals	24,868,735	22,676,641
Ford Motor (China) Co., Ltd.	Personnel costs, etc.	21,474,039	16,127,484
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Agency fee, advertising fee, etc.	15,899,222	9,680,267
Ford Otomotiv Sanayi A.S.	Technical services and technical development	15,125,422	18,265,089
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Personnel costs	14,496,038	9,082,057
Changan Ford Automobile Co., Ltd.	Service fee, labour costs, etc.	8,263,784	21,913,168
JMCG Property Management Co., Ltd.	Property fees, etc.	4,362,127	3,352,585
The Power Company	Consulting	4,109,652	-
Chongqing Changan Automobile Co., Ltd.	Personnel costs	2,458,047	1,680,278
Jiangling Motor Holdings Co., Ltd.	Labour fee, rental fee	2,021,395	10,097,592
JMCG	Labour fee, rental fee, etc.	1,492,519	1,403,765
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Promotion	1,482,872	183,420
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Warranty and promotion	1,276,480	1,022,766
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Warranty and promotion	1,203,126	608,540
China Changan Group Tianjin Sales Co., Ltd.	Warranty and promotion	1,202,470	19,975

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Receipt of services (Cont'd):

Related parties	Nature of related party transactions	2022	2021
Chongqing Anfu Vehicle Marketing Co., Ltd.	Warranty and promotion	1,168,824	1,153,740
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Promotion	1,143,651	1,509,221
JMCG Jiangxi Engineering Construction Co., Ltd.	Engineering construction	-	202,783,377
Magna PT Powertrain (Jiangxi) Co., Ltd.	Design fee, experimental costs	-	2,440,812
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Design fee, experimental costs	-	2,175,305
Other related parties		5,100,616	8,946,739
		<u>906,614,911</u>	<u>1,044,301,874</u>

The Group's pricing on services received from related parties is based on the agreed price by both parties.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Sales of goods and provision of services:

Related parties	Nature of related party transactions	2022	2021
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Sales of vehicles and accessories, etc.	5,898,939,789	3,009,201,649
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Sales of vehicles	472,883,971	424,832,553
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Sales of vehicles and accessories, etc.	258,768,616	108,430,877
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Sales of vehicles and accessories	104,259,399	61,352,599
Jiangxi Jiangling Chassis Co., Ltd.	Sales of accessories	74,175,180	71,371,856
JMCG Jingma Motors Co., Ltd.	Sales of vehicles and accessories	71,361,087	56,901,153
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of waste materials, etc.	69,766,263	91,363,165
Chongqing Anfu Vehicle Marketing Co., Ltd.	Sales of vehicles and accessories	51,437,264	46,641,322
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Sales of vehicles and accessories	51,205,027	53,876,378
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	48,716,119	47,840,275
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	47,550,057	45,806,320
China Changan Group Tianjin Sales Co., Ltd.	Sales of vehicles and accessories	45,104,628	26,458,070
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	41,230,522	39,401,634
Chongqing Anbo Vehicle Sales Co., Ltd.	Sales of vehicles and accessories	27,134,967	37,899,577
Jiangxi ISUZU Co., Ltd.	Sales of accessories	21,171,806	2,910,489
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	17,459,735	12,749,059
Jiangxi Jiangling Lear Interior System Co., Ltd.	Sales of accessories	13,331,531	5,759,013
Guizhou Wanjia Automobile Sales and Service Co. LTD	Sales of vehicles and accessories	13,260,858	10,893,900
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Sales of accessories	12,877,775	10,779,022
Nanchang Hengou Industry Co., Ltd.	Sales of accessories	11,141,173	9,982,170

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, provision and receipt of services (Cont'd)

Sales of goods and provision of services(Cont'd):

Related parties	Nature of related party transactions	2022	2021
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Sales of accessories	9,721,317	8,931,828
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	9,138,891	429,324
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Sales of accessories	4,886,482	35,851,242
JMCG	Sales of accessories and labor costs	3,931,336	140,274
	Sales of accessories and waste materials, etc.	3,496,119	3,129,560
Jiangxi JMCG Industry Co., Ltd.			
Nanchang JMCG Shishun Logistics Co., Ltd.	Sales of vehicles and accessories, etc	3,351,832	12,470,469
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Sales of accessories	3,317,971	3,382,979
Nanchang Lianda Machinery Co., Ltd.	Sales of accessories	1,964,144	2,332,429
Jiangling Motor Holdings Co., Ltd.	Labor costs	1,150,970	-
Jiujiang Fuwantong Vehicle Co., Ltd.	Sales of vehicles and accessories	648,584	7,122,010
Other related parties		3,731,023	8,196,693
		<u>7,397,114,436</u>	<u>4,256,437,889</u>

The Group's pricing on goods sold to related parties is based on the agreed price by both parties.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(b) Leases

(i) The lease income recognised in the current year with the Group as the lessor:

Name of the lessee	Type of the leased asset	2022	2021
Jiangling Motor Holdings Co., Ltd.	Buildings	4,909	-
Jiangxi JMCG Motorhome Co.,Ltd.	Buildings	2,945	-
Jiangling Material Co., Ltd.	Buildings	-	60,550
Jiangxi ISUZU Co., Ltd.	Buildings	-	29,708
		<u>7,854</u>	<u>90,258</u>

(ii) Increase of right-of-use assets in the current year with the Group as the lessee

Name of the lessor	Type of the leased asset	2022	2021
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Buildings	-	16,852,582
JMCG	Buildings	-	182,766
		<u>-</u>	<u>17,035,348</u>

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(b) Leases (Cont'd)

(iii) Interest expenses on lease liabilities in the current year with the Group as the lessee:

	2022	2021
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	549,276	538,978
JMCG	311,629	417,937
	<u>860,905</u>	<u>956,915</u>

(c) Guarantee received

Guarantor	Guaranteed amount	Starting date	Ending date	Fully performed or not
JMCF	2,280,355	5 March 2001	30 October 2029	Not fully performed

In 2022, JMCF provided guarantees for some bank borrowings of the Group, with a maximum guarantee limit of USD 2,282,123. As at 31 December 2022, JMCF provided borrowing guarantee to the bank borrowing of USD 327,421, equivalent to RMB2,280,355 (31 December 2021: USD 392,905, equivalent to RMB2,505,044) for the Group.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(d) Transfer of assets

Related parties	Nature of related party transactions	2022	2021
JMCG Jingma Motors Co., Ltd.	Sales of fixed assets	4,527,773	-
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of fixed assets	<u>249,367</u>	<u>19,069,865</u>
		<u>4,777,140</u>	<u>19,069,865</u>

The pricing on transfer of assets between the Group and related parties is based on the agreed price by both parties.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(e) Purchase of assets

Related parties	Nature of related party transactions	2022	2021
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of fixed assets	30,269,160	444,600
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of fixed assets	19,523,883	4,946,744
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of fixed assets	9,660,000	-
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of fixed assets	456,637	-
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of fixed assets	-	2,480,000
		<u>59,909,680</u>	<u>7,871,344</u>

The pricing on purchase of assets between the Group and related parties is based on the agreed price by both parties.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(f) Purchaseof long-term technology license

Related parties	Nature of related party transactions	2022	2021
Ford	Purchaseof long-term technology license	129,021,097	-
Ford Otomotiv Sanayi A.S.	Purchaseof long-term technology license	8,392,035	-
		<u>137,413,132</u>	<u>-</u>

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(g) Provision of technology sharing and distribution service

Related parties	Nature of related party transactions	2022	2021
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Engineering and technical service	55,006,000	66,669,000
Ford	Technical service	18,690,000	12,450,000
Ford Vietnam Limited	Technical service	14,390,000	12,780,000
Ford Motor (China) Co., Ltd.	Distribution Services	12,978,451	-
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Technical service	8,155,000	480,000
Ford Trading Company, LLC	Technical service	2,206,000	4,795,000
Jiangxi ISUZU Co., Ltd.	Technical service	710,000	6,390,000
JMCG Jingma Motors Co., Ltd.	Technical service	190,000	-
Ford Otomotiv Sanayi A.S.	Technical service	-	340,000
		<u>112,325,451</u>	<u>103,904,000</u>

The Group's pricing on technology sharing provided to related parties is based on the agreed price by both parties.

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7 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(h) Remuneration of key management

	2022	2021
Remuneration of key management	<u>11,606,369</u>	<u>17,375,367</u>

(i) Interest income

	2022	2021
JMCF	<u>17,130,577</u>	<u>17,076,393</u>

Cash at bank of the Group deposited with JMCF was calculated based on the bank annual interest rate for RMBdeposit of 1.725% to 2.25% over the same period (2021: 1.725% to 2.25%).

(j) Interest expenses

	2022	2021
JMCF	1,250,000	-
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	-	120,000
Nanchang JMCG Shishun Logistics Co., Ltd.	-	30,000
	<u>1,250,000</u>	<u>150,000</u>

(k) Purchase of CAFC credit and NEV credit

	2022	2021
Jiangling Motor Electricity Vehicle Co., Ltd.	64,474,060	11,186,318
Jiangling Motor Holdings Co., Ltd.	819,000	177,528,302
	<u>65,293,060</u>	<u>188,714,620</u>

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7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties

	31 December 2022		31 December 2021	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Accounts receivable				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	1,809,124,109	(1,495,512)	1,055,206,739	(2,469,956)
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	105,372,893	(963,329)	4,511,078	(7,003)
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	60,082,649	(329,953)	70,709,214	(56,476)
JMCG Jingma Motors Co., Ltd.	46,820,892	(140,841)	16,858,567	(59,595)
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	21,973,800	(65,921)	-	-
Jiangxi JMCG Specialty Vehicles Co., Ltd.	9,109,228	(5,477)	10,889,510	(9,689)
Jiangxi ISUZU Co., Ltd.	3,650,860	(10,953)	534,623	(1,890)
Jiangxi Jiangling Lear Interior System Co., Ltd.	3,326,672	(9,980)	1,430,746	(5,058)
Ford Vietnam Limited	3,250,000	(9,750)	-	-
Nanchang JMCG Liancheng Auto Component Co., Ltd.	1,773,035	(5,319)	1,655,446	(5,852)
Nanchang JMCG Shishun Logistics Co., Ltd.	1,735,793	(744)	-	-
Ford Motor (China) Co., Ltd.	1,727,858	(5,184)	-	-
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	1,340,748	(4,022)	4,113,754	(14,542)
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	-	-	3,253,009	(11,499)
Other related parties	3,899,861	(10,790)	5,139,610	(18,170)
	<u>2,073,188,398</u>	<u>(3,057,775)</u>	<u>1,174,302,296</u>	<u>(2,659,730)</u>

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7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

	31 December 2022		31 December 2021	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Other receivables				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	10,231,067	(30,693)	25,000,000	(75,000)
JMCG Jingma Motors Co., Ltd.	4,614,745	(13,844)	-	-
Jiangling Motor Electricity Vehicle Co., Ltd.	-	-	31,266,512	(93,800)
Jiangxi Lingrui Recycling Resources Development Corporation	-	-	17,668,457	(53,005)
Other related parties	4,000	(12)	121,141	(364)
	<u>14,849,812</u>	<u>(44,549)</u>	<u>74,056,110</u>	<u>(222,169)</u>

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7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		31 December 2022	31 December 2021
Advances to suppliers	Nanchang Baojiang Steel Processing Distribution Co., Ltd.	<u>233,947,199</u>	<u>399,394,083</u>
Financing receivables	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	50,000,000	-
	Jiangxi JMCG Specialty Vehicles Co., Ltd.	40,000,000	-
	JMCG Jingma Motors Co., Ltd.	3,000,000	2,357,022
	Jiangxi ISUZU Co., Ltd.	600,000	-
	Nanchang JMCG Frame Co., Ltd.	-	2,000,000
		<u>93,600,000</u>	<u>4,357,022</u>
Notes receivable	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	<u>600,000,000</u>	-
Cash at bank	JMCF	<u>886,245,919</u>	<u>1,059,580,980</u>
Short-term borrowings	JMCF	<u>200,000,000</u>	-

In 2022, the sales amount settled by JMCF was RMB13,263,312,181 (2021: RMB21,188,639,037), of which, the amount of 169,310,000 was settled through the discounted electronic commercial acceptances which interest paid by buyers. As at December 31, 2022, the Group's commercial acceptances amounting to 140,330,000 had discounted but not yet due (December 31, 2021: 676,750,000) arising under the aforesaid business. The Group has transferred substantially all the risks and rewards of ownership of its electronic commercial acceptances and therefore derecognized them.

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7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		31 December 2022	31 December 2021
Accounts payable	Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	538,861,064	476,070,536
	Jiangxi Jiangling Lear Interior System Co., Ltd.	341,829,498	251,892,398
	Magna PT Powertrain (Jiangxi) Co., Ltd.	295,727,129	224,125,697
	Jiangxi Jiangling Chassis Co., Ltd.	287,843,287	314,370,464
	Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	280,456,600	188,395,117
	Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	209,344,967	405,329,856
	Nanchang JMCG Liancheng Auto Component Co., Ltd.	168,502,531	162,044,531
	Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	142,695,801	181,015,647
	Ford	63,701,961	112,369,950
	Nanchang Unistar Electric & Electronics Co., Ltd.	59,831,745	118,507,723
	Hanon Systems	52,260,989	51,492,058
	Nanchang JMCG Shishun Logistics Co., Ltd.	51,617,596	99,211,184
	Jiangxi JMCG Specialty Vehicles Co., Ltd.	48,084,822	46,385,916
	Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	48,052,587	61,887,021
	Nanchang Yinlun Heat-exchanger Co., Ltd.	38,139,971	38,501,505
	Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	29,858,865	38,128,081
	Dibao transportation equipment (Nanchang) Co., Ltd.	29,824,381	29,226,123
	Jiangxi Lingyun Automobile Industry Technology Co., Ltd.	22,971,514	9,533,560
	JMCG	21,226,897	68,694,580
	Jiangxi Lingrui Recycling Resources Development Corporation	15,959,512	5,669,023
	Nanchang Lianda Machinery Co., Ltd.	15,928,121	19,653,964
	Jiangxi Jiangling Group Special Vehicle Co., Ltd.	15,558,679	16,813,329
	Jiangling Motor Holdings Co., Ltd.	7,254,527	15,315,388
	Jiangxi JMCG Boya brake system Co., Ltd.	6,664,021	14,172,332
	Jiangxi Mingfang Auto Parts Industry Co., Ltd.	5,244,867	1,920,999
	Auto Alliance (Thailand) Company Limited	5,080,988	3,986,161
	Jiangling Aowei Automobile Spare Part Co., Ltd.	4,202,862	4,402,913
	Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	3,044,022	5,126,842
	Changan Ford Automobile Co., Ltd.	2,891,546	10,017,548
	Nanchang JMCG Xincheng Auto Component Co., Ltd.	1,532,286	6,542,386
	Jiangling Material Co., Ltd.	1,444,482	2,143,099
	Nanchang Hengou Industry Co., Ltd.	998,215	1,537,861
	Ford Otomotiv Sanayi A.S.	681,248	2,224,130
	Jiangxi ISUZU Engine Co., Ltd.	407,986	7,167,608
	Nanchang Gear Forging Co., Ltd.	356,703	3,008,017
	Jiangxi JMCG Industry Co., Ltd.	67,177	2,995,670
	Other related parties	1,774,381	2,190,179
		2,819,923,828	3,002,069,396

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7 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		31 December 2022	31 December 2021
Other payables	Ford	190,788,653	61,135,567
	JMCG Jiangxi Engineering Construction Co., Ltd.	73,068,908	112,247,451
	Ford Global Technologies, LLC	57,966,899	65,331,412
	Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	18,560,568	24,120,434
	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	17,583,786	3,209,698
	Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	15,949,537	1,438,427
	Ford Motor (China) Co., Ltd.	14,421,987	4,670,514
	Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	11,939,889	5,719,260
	Nanchang JMCG Shishun Logistics Co., Ltd.	7,599,823	7,302,639
	Jiangxi Jiangling Group Special Vehicle Co., Ltd.	6,064,606	11,035,849
	Jiangxi JMCG Specialty Vehicles Co., Ltd.	5,156,445	4,590,958
	Jiangxi JMCG Industry Co., Ltd.	4,883,512	1,753,181
	Ford Otomotiv Sanayi A.S.	4,749,574	4,578,953
	Chongqing Changan Automobile Co., Ltd.	2,458,047	1,680,278
	Ford Motor Research & Engineering (Nanjing) Co., Ltd.	2,397,259	2,229,384
	Nanchang Unistar Electric & Electronics Co., Ltd.	1,908,865	966,018
	Hanon Systems	1,475,000	1,475,000
	Nanchang Baojiang Steel Processing Distribution Co., Ltd.	1,121,868	2,722,060
	Jiangxi Jiangling Lear Interior System Co., Ltd.	584,675	1,007,000
	Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	314,480	4,111,935
	JMCG Property Management Co., Ltd.	22,736	1,265,900
	Magna PT Powertrain (Jiangxi) Co., Ltd.	-	8,783,237
	Other related parties	4,536,900	4,521,160
		<u>443,554,017</u>	<u>335,896,315</u>
Contract liabilities	Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	1,902,370	376,671
	Jiangxi Jiangling Group Special Vehicle Co., Ltd.	1,143,867	1,790,486
	Chongqing Anbo Vehicle Sales Co., Ltd.	1,112,609	357,767
	Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	1,056,081	406,654
	Other related parties	1,869,420	1,652,236
		<u>7,084,347</u>	<u>4,583,814</u>
Lease liabilities	Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	9,542,357	17,391,559
	JMCG	4,732,873	7,027,932
		<u>14,275,230</u>	<u>24,419,491</u>

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7 Related parties and related party transactions (Cont'd)**(7) Commitments in relation to related parties**

Capital commitments	31 December 2022	31 December 2021
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	20,786,749	-
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	11,091,570	-
Nanchang JMCG Liancheng Auto Component Co., Ltd.	4,678,200	-
Magna PT Powertrain (Jiangxi) Co., Ltd.	3,955,000	-
JMCG Jiangxi Engineering Construction Co., Ltd.	-	270,278,911
	<u>40,511,519</u>	<u>270,278,911</u>

Guarantee of commitments in relation to related parties is set out in Note 7(5)(c).

8 Contingencies

As at 31 December 2022, the Group had no contingencies that needed to be disclosed in the notes to the financial statements.

9 Commitments**Capital expenditure commitments**

Capital expenditures contracted for by the Group but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

	31 December 2022	31 December 2021
Buildings, machinery and equipment	<u>484,700,000</u>	<u>1,040,550,000</u>

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10 Subsequent events

(1) Profit distribution

According to the resolution at the Board of Directors' meeting on 28 March 2023, the Board of Directors proposed that the Company distributes cash dividends of RMB0.424 per share to all shareholders. Based on the issued shares of 863,214,000, the proposed cash dividends totalled RMB366,002,736.

11 Financial instrument and risk

The Group's activities expose it to a variety of financial risks, which mainly comprise market risk (primarily including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The above financial risks and the Group's risk management policies to mitigate the risks are as follows:

The Board of Directors is responsible for planning and establishing the Group's risk management framework, formulating the Group's risk management policies and related guidelines, and supervising the implementation of risk management measures. The Group has established risk management policies to identify and analyse the risks faced by the Group. These risk management policies specify the risks such as market risk, credit risk and liquidity risk management. The Group regularly evaluates the market environment and changes in the Group's operating activities to determine whether to update the risk management policies and systems or not. The Group's risk management is carried out by the Risk Management Committee under policies approved by the Board of Directors. The Risk Management Committee works closely with other business departments of the Group to identify, evaluate and avoid relevant risks. The internal audit department of the Group conducts periodical audit to the controls and procedures for risk management and reports the audit results to the Risk Management Committee of the Group.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to USD. The Group continuously monitors the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. Therefore, the Group signed forward exchange contracts to mitigate the foreign exchange risk (Note 4(3)).

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11 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

The financial assets and financial liabilities denominated in foreign currencies, which were held by the Group, were expressed in RMBas at 31 December 2022 and 31 December 2021 as follows:

	31 December 2022		
	USD	EUR	Total
Financial assets denominated in foreign currency - Derivative financial assets	<u>808,826</u>	<u>2,163,872</u>	<u>2,972,698</u>
Financial liabilities denominated in foreign currency - Current portion of long-term borrowings	456,071	-	456,071
Long-term borrowings	1,824,284	-	1,824,284
Other payables	<u>253,263,898</u>	<u>247,094</u>	<u>253,510,992</u>
	<u>255,544,253</u>	<u>247,094</u>	<u>255,791,347</u>
	31 December 2021		
	USD	EUR	Total
Financial liabilities denominated in foreign currency - Derivative financial liabilities	10,704,619	-	10,704,619
Current portion of long-term borrowings	417,507	-	417,507
Long-term borrowings	2,087,537	-	2,087,537
Other payables	<u>130,811,883</u>	<u>240,329</u>	<u>131,052,212</u>
	<u>144,021,546</u>	<u>240,329</u>	<u>144,261,875</u>

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11 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

As at 31 December 2022, for the financial assets and liabilities dominated in foreign currencies, if the RMB had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit would have been approximately RMB21,592,894 (31 December 2021: approximately RMB10,422,046) higher/lower.

(b) Interest rate risk

The Group's interest rate risk mainly arises from interest-bearing debts such as short-term borrowings and long-term borrowings. The financial liabilities of floating interest rate expose the Group to cash flow interest rate risk, and the financial liabilities of fixed interest rate expose the Group to fair value interest rate risk. The Group determines the relative proportions of fixed-rate and floating-rate contracts based on the prevailing market environment. As at 31 December 2022, the Group's short-term borrowings of RMB1,100,000,000 (31 December 2021: RMB300,000,000) were fixed-rate borrowings, and long-term borrowings of USD327,421 (31 December 2021: USD392,905) were fixed-rate contracts, long-term borrowings of RMB19,033,773 (31 December 2021: Nil) were fixed-rate borrowings, therefore there was no significant cash flow interest rate risk.

As at 31 December 2022 and 31 December 2021, there was no significant difference between the fair value and the carrying amount of the Group's bank borrowings with fixed rates.

(2) Credit risk

The Group's credit risk mainly arises from cash at bank and on hand, notes receivable, accounts receivable, financing receivables, other receivables, long-term receivables and derivative financial assets at fair value through profit or loss that are not included in the impairment assessment scope. The carrying amount of the Group's financial assets reflects its maximum credit exposure at the balance sheet date.

The Group expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at state-owned banks and other medium or large size banks with good reputation and high credit rating. The Group does not expect that there will be significant losses from non-performance by these banks.

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11 Financial instrument and risk (Cont'd)

(2) Credit risk (Cont'd)

In addition, the Group has policies to limit the credit exposure on notes receivable, accounts receivable, financing receivables, other receivables and long-term receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 31 December 2022, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2021: Nil).

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group. The Group monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2022				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	1,100,000,000	-	-	-	1,100,000,000
Accounts payable	9,015,978,354	-	-	-	9,015,978,354
Other payables	5,672,708,511	-	-	-	5,672,708,511
Lease liabilities	81,918,426	71,289,585	132,786,495	-	285,994,506
Long-term borrowings	488,566	19,515,498	1,404,129	-	21,408,193
	<u>15,871,093,857</u>	<u>90,805,083</u>	<u>134,190,624</u>	<u>-</u>	<u>16,096,089,564</u>
	31 December 2021				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	300,000,000	-	-	-	300,000,000
Derivative financial liabilities	10,704,619	-	-	-	10,704,619
Accounts payable	9,702,584,830	-	-	-	9,702,584,830
Other payables	5,253,800,805	-	-	-	5,253,800,805
Lease liabilities	90,602,618	80,927,296	203,090,850	-	374,620,764
Long-term borrowings	453,517	447,254	1,304,189	422,205	2,627,165
	<u>15,358,146,389</u>	<u>81,374,550</u>	<u>204,395,039</u>	<u>422,205</u>	<u>15,644,338,183</u>

- (i) As at 31 December 2022, the Group did not have lease contracts that had been signed but had not yet been implemented.

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12 Fair value estimates

The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(1) Assets and liabilities measured at fair value on a recurring basis

As at 31 December 2022, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets -				
Financing receivables -				
Notes receivable	-	-	376,662,817	376,662,817
Derivative financial assets -				
Forward foreign exchange contracts	-	2,972,698	-	2,972,698
	<u>-</u>	<u>2,972,698</u>	<u>376,662,817</u>	<u>379,635,515</u>

As at 31 December 2022, the group didn't have liabilities measured at fair value on a recurring basis.

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12 Fair value estimates (Cont'd)**(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)**

As at 31 December 2021, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial assets -				
Financial assets held for trading -				
Structural deposits	-	100,242,329	-	100,242,329
Financing receivables -				
Notes receivable	-	-	201,511,670	201,511,670
	<u>-</u>	<u>100,242,329</u>	<u>201,511,670</u>	<u>301,753,999</u>

As at 31 December 2021, the liabilities measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Financial liabilities -				
Derivative financial liabilities -				
Forward foreign exchange contracts	-	10,704,619	-	10,704,619
	<u>-</u>	<u>10,704,619</u>	<u>-</u>	<u>10,704,619</u>

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There was no transfer between Level 1 and Level 2 in 2022.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spreads, liquidity premium, EBITDA multiplier and liquidity lack discount.

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12 Fair value estimates (Cont'd)

(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)

The changes in Level 3 assets are analysed below:

	31 December 2021	Increase	Decrease	31 December 2022	Gains recognised in profit or loss	Changes in unrealised gains or losses included in profit or loss in 2022 with respect to assets still held as at 31 December 2022 - gains or losses on changes in fair value
Financing receivables - Notes receivable	<u>201,511,670</u>	<u>3,664,369,012</u>	<u>(3,489,217,865)</u>	<u>376,662,817</u>	-	-
Total assets	<u>201,511,670</u>	<u>3,664,369,012</u>	<u>(3,489,217,865)</u>	<u>376,662,817</u>	-	-

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12 Fair value estimates (Cont'd)

(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)

The changes in Level 3 assets are analysed below (Cont'd):

	31 December 2020	Increase	Decrease	31 December 2021	Gains recognised in profit or loss (a)	Changes in unrealised gains or losses included in profit or loss in 2021 with respect to assets still held as at 31 December 2021 - gains or losses on changes in fair value
Financial assets						
Financial assets held for trading - Monetary fund	-	500,000,000	(500,000,000)	-	198,623	-
Financing receivables - Notes receivable	<u>815,583,669</u>	<u>3,073,998,320</u>	<u>(3,688,070,319)</u>	<u>201,511,670</u>	<u>-</u>	<u>-</u>
Total assets	<u>815,583,669</u>	<u>3,573,998,320</u>	<u>(4,188,070,319)</u>	<u>201,511,670</u>	<u>198,623</u>	<u>-</u>

(a) Gains recognised in profit or loss are recognised in investment income in the income statement.

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12 Fair value estimates (Cont'd)

- (2) Assets measured at fair value on a non-recurring basis

As at 31 December 2022 and 31 December 2021, the Group had no assets measured at fair value on a non-recurring basis.

- (3) Assets and liabilities not measured at fair value but for which the fair value is disclosed

The Group's financial assets and liabilities measured at amortised cost mainly comprise notes receivable, accounts receivable, other receivables, long-term receivables, short-term borrowings, payables, lease liabilities and long-term borrowings.

The carrying amount of the Group's financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

The fair value of long-term borrowings and lease liabilities is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows on the same terms, and categorised within Level 3 of the fair value hierarchy.

13 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce debts.

The Group's total capital is calculated as "shareholders' equity" as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of equity ratio.

As at 31 December 2022 and 31 December 2021, the Group's equity ratio was as follows:

	31 December 2022	31 December 2021
Total borrowings	1,121,314,128	302,505,044
Total shareholders' equity	9,240,646,784	8,555,444,589
Equity ratio	<u>12%</u>	<u>4%</u>

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14 Notes to the Company's financial statements**(1) Accounts receivable**

	31 December 2022	31 December 2021
Accounts receivable	2,444,372,969	1,576,660,469
Less: Provision for bad debts	<u>(75,474,642)</u>	<u>(167,340,229)</u>
	<u>2,368,898,327</u>	<u>1,409,320,240</u>

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2022	31 December 2021
Within 1 year	2,281,564,617	1,231,549,719
Over 1 year	<u>162,808,352</u>	<u>345,110,750</u>
	<u>2,444,372,969</u>	<u>1,576,660,469</u>

(b) As at 31 December 2022, the top five accounts receivable ranked by remaining balances were analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
Company 1	1,794,825,748	(1,447,904)	73.43%
Company 2	241,829,851	-	9.89%
Company 3	105,318,231	-	4.31%
Company 4	72,230,000	(72,230,000)	2.95%
Company 5	46,820,892	(140,841)	1.92%
	<u>2,261,024,722</u>	<u>(73,818,745)</u>	<u>92.50%</u>

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14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts

(i) Accounts receivable for which provision for bad debts is made on the individual basis are analysed as follows:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Receivables from related parties within the Group i)	347,148,082	-	-
Receivables for automobiles ii)	<u>72,230,000</u>	100%	<u>(72,230,000)</u>
	<u>419,378,082</u>		<u>(72,230,000)</u>
	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Receivables from related parties within the Group i)	74,668,369	-	-
New energy subsidiaries receivable ii)	84,903,126	100%	(84,903,126)
Receivables for automobiles ii)	<u>72,230,000</u>	100%	<u>(72,230,000)</u>
	<u>231,801,495</u>		<u>(157,133,126)</u>

i) As at 31 December 2022, the Company's accounts receivable from subsidiary JMCS and SZFJ was RMB241,829,851 and RMB105,318,231(31 December 2021: Nil and RMB 74,668,369). The Company carried out individual assessment on receivables from subsidiaries. Based on the judgement of credit risk, there was no significant credit risk on receivables from subsidiaries that were overdue and impaired.

ii) As at 31 December 2022, the Company assessed the expected credit losses on the related accounts receivable and expected that it was probable that such amounts would not be collected and therefore a full provision for bad debts was made.

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14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows:

Grouping - Sales of general automobiles:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	1,574,700,311	0.04%	(676,307)
Overdue for 1 to 30 days	20,338,359	0.04%	(8,715)
Overdue for 31 to 60 days	7,025,162	1.07%	(75,033)
Overdue for 61 to 90 days	-	—	-
Overdue over 90 days	1,046,303	3.37%	(35,212)
	<u>1,603,110,135</u>		<u>(795,267)</u>

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	833,314,688	0.08%	(675,142)
Overdue for 1 to 30 days	149,950,389	0.08%	(120,161)
Overdue for 31 to 60 days	29,645,955	2.44%	(721,967)
Overdue for 61 to 90 days	17,638,503	4.15%	(732,260)
Overdue over 90 days	114,035	5.01%	(5,710)
	<u>1,030,663,570</u>		<u>(2,255,240)</u>

Grouping - Sales of new energy automobiles:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	<u>4,853,760</u>	20.60%	<u>(999,805)</u>

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14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(ii) Accounts receivable for which provision for bad debts is made on the grouping basis are analysed as follows (Cont'd):

Grouping - Sales of new energy automobiles (Cont'd):

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	111,207,654	6.51%	(7,234,301)

Grouping - Automobile parts:

	31 December 2022		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	400,583,282	0.30%	(1,201,749)
Overdue for 1 to 30 days	10,972,629	0.30%	(32,918)
Overdue for 31 to 60 days	1,307,433	0.50%	(6,537)
Overdue for 61 to 90 days	377	0.53%	(2)
Overdue over 90 days	4,167,271	5.00%	(208,364)
	417,030,992		(1,449,570)

	31 December 2021		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	171,058,119	0.30%	(513,174)
Overdue for 1 to 30 days	10,595,578	0.30%	(31,787)
Overdue for 31 to 60 days	14,644,585	0.50%	(73,223)
Overdue for 61 to 90 days	3,464,188	0.60%	(20,785)
Overdue over 90 days	3,225,280	2.44%	(78,593)
	202,987,750		(717,562)

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14 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivable (Cont'd)

(d) The book balance of new energy subsidies receivable that was written off in 2022 was RMB86,739,957, and the provision for bad debts was RMB86,739,957. The above write-offs were not related transactions and had been approved by the board of directors.

(e) As at 31 December 2022 and 31 December 2021, the Company did not have accounts receivable that were pledged.

(2) Other receivables

	31 December 2022	31 December 2021
Receivable for subsidiary disposal	60,900,000	252,000,000
Receivables from Jiangling(Shanghai)	14,426,224	-
Import working capital	10,000,000	25,000,000
Receivables from JMCH	9,679,410	9,679,410
Disposal of assets	4,604,745	17,668,457
Others	29,561,083	97,471,253
	<u>129,171,462</u>	<u>401,819,120</u>
Less: Provision for bad debts	<u>(315,611)</u>	<u>(1,031,283)</u>
	<u>128,855,851</u>	<u>400,787,837</u>

(a) The ageing of other receivables is analysed as follows:

	31 December 2022	31 December 2021
Within 1 year	55,337,691	399,577,953
Over 1 year	73,833,771	2,241,167
	<u>129,171,462</u>	<u>401,819,120</u>

(b) Provision for losses and changes in book balance statements

	Stage 1				Total
	12-month ECL (grouping)		12-month ECL (individual)		Provision for bad debts
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
31 December 2021	392,139,710	(1,031,283)	9,679,410	-	(1,031,283)
Net					
(decrease)/increase in the current year	(287,073,882)	—	14,426,224	—	—
Provision for bad debts reserved in the current year	—	715,672	—	-	715,672
31 December 2022	<u>105,065,828</u>	<u>(315,611)</u>	<u>24,105,634</u>	<u>-</u>	<u>(315,611)</u>

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14 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd)

As at 31 December 2022 and 31 December 2021, the Company did not have any other receivables at Stage 2 or Stage 3. Other receivables at Stage 1 were analysed below:

(i) As at 31 December 2022 and 31 December 2021, provision for bad debts of other receivables on the individual basis was analysed as follows:

Stage 1	31 December 2022			Reason
	Book balance	12-month ECL (%)	Provision for bad debts	
Receivables from Jiangling Ford (Shanghai)	14,426,224	-	-	i)
Receivables from JMCH	9,679,410	-	-	i)
	<u>24,105,634</u>		<u>-</u>	
Stage 1	31 December 2021			Reason
	Book balance	12-month ECL (%)	Provision for bad debts	
Receivables from JMCH	9,679,410	-	-	i)

i) As of December 31, 2022, the Company had other receivables from its subsidiaries, Jiangling Ford (Shanghai) and JMCH, amounting to RMB14,426,224 and RMB9,679,410 (31 December 2021: Nil and RMB9,679,410). The Company assessed the receivables from subsidiaries individually and based on the judgment of credit risk, the receivables from subsidiaries are not subject to significant credit risk and are not past due and impaired.

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14 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd)

(ii) As at 31 December 2022 and 31 December 2021, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

Other receivables with provision on the grouping basis at Stage 1:

(ii) As at 31 December 2022, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	Expected credit loss ratio within the next 12 months	Provision for bad debts	Rationale
Portfolio accrual:				
Receivable for subsidiary disposal	60,900,000	0.30%	(182,700)	Expected credit losses
Import working capital	10,000,000	0.30%	(30,000)	Expected credit losses
Disposal of assets	4,604,745	0.30%	(13,814)	Expected credit losses
Others	29,561,083	0.30%	(89,097)	Expected credit losses
	<u>105,065,828</u>		<u>(315,611)</u>	

(iii) As at 31 December 2021, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	Expected credit loss ratio within the next 12 months	Provision for bad debts	Rationale
Portfolio accrual:				
Receivable for subsidiary disposal	252,000,000	0.30%	(756,000)	Expected credit losses
Import working capital	25,000,000	0.30%	(75,000)	Expected credit losses
Disposal of assets	17,668,457	0.30%	(53,005)	Expected credit losses
Others	49,340,289	0.30%	(147,278)	Expected credit losses
Interest receivable	48,130,964	-	-	Expected credit losses
	<u>392,139,710</u>		<u>(1,031,283)</u>	

As at 31 December 2022 and 31 December 2021, the Company had no other receivables at Stage 2 or Stage 3.

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14 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(c) In 2022, the provision for bad debts reversed amounted to RMB715,672.

(d) In 2022, no other receivables were written off.

(e) As at 31 December 2022, the top five other receivables ranked by remaining balances were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Company 1	Receivable for subsidiary disposal	60,900,000	Over 1 year	47.15%	(182,700)
Company 2	Receivable from subsidiary Advances	14,426,224	Within 1 year	11.17%	-
Company 3	classified as expenses	12,919,400	Within 1 year	10.00%	(38,758)
Company 4	Import working capital, etc.	10,231,067	Within 1 year	7.92%	(30,693)
Company 5	Receivable from subsidiary	9,679,410	Over 1 year	7.49%	-
		<u>108,156,101</u>		<u>83.73%</u>	<u>(252,151)</u>

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14 Notes to the Company's financial statements (Cont'd)

(3) Long-term equity investments

	31 December 2022	31 December 2021
Subsidiaries (a)	2,807,943,493	2,756,943,493
Associates (b)	243,633,812	252,402,245
	<u>3,051,577,305</u>	<u>3,009,345,738</u>
Less: Provision for impairment of long-term equity investments for subsidiaries	(1,905,543,493)	(1,905,543,493)
Provision for impairment of long-term equity investments for associates	-	-
	<u>(1,905,543,493)</u>	<u>(1,905,543,493)</u>
	<u>1,146,033,812</u>	<u>1,103,802,245</u>

(a) Subsidiaries

	31 December 2021	<u>Movement in the current year</u>	31 December 2022	Balance of provision for impairment at the end of the year	Cash dividends declared this year	31 December 2022 Carrying amount
	<u>Gross amount</u>	Additional investments	<u>Gross amount</u>			
JMCH	2,686,943,493	-	2,686,943,493	(1,905,543,493)	-	781,400,000
JMCS	50,000,000	-	50,000,000	-	-	50,000,000
SZFJ	10,000,000	-	10,000,000	-	-	10,000,000
GZFJ	10,000,000	-	10,000,000	-	-	10,000,000
Jiangling Ford (Shanghai)	-	51,000,000	51,000,000	-	-	51,000,000
	<u>2,756,943,493</u>	<u>51,000,000</u>	<u>2,807,943,493</u>	<u>(1,905,543,493)</u>	<u>-</u>	<u>902,400,000</u>

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14 Notes to the Company's financial statements (Cont'd)

(3) Long-term equity investments (Cont'd)

(b) Associates

	31 December 2021	Movements in the current year				31 December 2022	Shareholding (%)	Voting rights (%)	Ending balance of provision for impairment
		Increase in the current year	Share of net profit/(loss) under equity method	Cash dividends declared by joint ventures	Provision for impairment				
The Power Company	215,993,605	-	(9,786,926)	-	-	206,206,679	40%	40%	-
Hanon Systems	36,408,640	-	1,018,493	-	-	37,427,133	19.15%	33.33%	-
Total	252,402,245	-	(8,768,433)	-	-	243,633,812			-

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**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
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14 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sales

	2022	2021
Revenue from main operations	27,601,273,209	32,230,431,936
Revenue from other operations	499,724,240	661,606,456
	<u>28,100,997,449</u>	<u>32,892,038,392</u>

	2022	2021
Cost of sales from main operations	24,557,964,422	28,545,317,717
Cost of sales from other operations	462,474,326	564,998,651
	<u>25,020,438,748</u>	<u>29,110,316,368</u>

(a) Revenue and cost of sales from main operations

	<u>2022</u>		<u>2021</u>	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Sales of automobiles	25,235,142,483	22,674,692,674	30,095,151,966	26,882,101,617
Sales of automobile parts	2,341,764,663	1,871,646,827	2,026,158,467	1,544,733,777
Automobile maintenance services	24,366,063	11,624,921	109,121,503	118,482,323
	<u>27,601,273,209</u>	<u>24,557,964,422</u>	<u>32,230,431,936</u>	<u>28,545,317,717</u>

(b) Revenue and cost of sales from other operations

	<u>2022</u>		<u>2021</u>	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	367,010,370	339,961,257	473,568,747	441,423,371
Others	132,713,870	122,513,069	188,037,709	123,575,280
	<u>499,724,240</u>	<u>462,474,326</u>	<u>661,606,456</u>	<u>564,998,651</u>

JIANGLING MOTORS CORPORATION, LTD.

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(All amounts in RMBYuan unless otherwise stated)
[English translation for reference only]

14 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sales (Cont'd)

(c) The breakdown of revenue earned was as follows:

	2022				Total
	Automobiles	Automobile parts	Automobile maintenance services	Materials and others	
Revenue from main operations	25,235,142,483	2,341,764,663	24,366,063	-	27,601,273,209
Including: Recognised at a time point	25,235,142,483	2,341,764,663	-	-	27,576,907,146
Recognised within a certain period	-	-	24,366,063	-	24,366,063
Revenue from other operations (i)	-	-	-	499,724,240	499,724,240
	<u>25,235,142,483</u>	<u>2,341,764,663</u>	<u>24,366,063</u>	<u>499,724,240</u>	<u>28,100,997,449</u>
	2021				Total
	Automobiles	Automobile parts	Automobile maintenance services	Materials and others	
Revenue from main operations	30,095,151,966	2,026,158,467	109,121,503	-	32,230,431,936
Including: Recognised at a time point	30,095,151,966	2,026,158,467	-	-	32,121,310,433
Recognised within a certain period	-	-	109,121,503	-	109,121,503
Revenue from other operations (i)	-	-	-	661,606,456	661,606,456
	<u>30,095,151,966</u>	<u>2,026,158,467</u>	<u>109,121,503</u>	<u>661,606,456</u>	<u>32,892,038,392</u>

- (i) The Company's revenue from other operations includes sales of materials and technical service provided, etc. Of which, revenue from sales of materials is recognized at a certain point in time, and revenue from technical service provided is recognized within a certain period.

As at 31 December 2022, the amount of revenue corresponding to the performance obligations that the Company had signed but had not performed or had not yet performed was RMB1,011,195, and the Company expected that RMB1,011,195 will be recognised as revenue from the sales of automobiles and parts in 2023.

(5) Investment income

	2022	2021
Investment loss from forward exchange settlement	(13,534,785)	(20,618,121)
Losses on discount of financing receivables eligible for derecognition	(12,990,879)	(8,344,916)
Gains on long-term equity investments under equity method	(8,768,433)	(21,475,697)
Investment income from financial assets held for trading	-	3,894,456
	<u>(35,294,097)</u>	<u>(46,544,278)</u>

There is no significant restriction on the remittance of investment income to the Company.

JIANGLING MOTORS CORPORATION, LTD.

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

(All amounts in RMBYuan unless otherwise stated)
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1 Statement of non-recurring profit or loss

	2022	2021
Government grants recognised in profit or loss for the current period	943,326,556	552,831,370
Gains or losses on disposal of non-current assets	389,251,475	5,107,814
Fund occupation fee received from non-financial institutions	13,827,410	15,836,668
Gains or losses on disposal of long-term equity investments	-	52,133,307
Gains or losses arising from changes in fair value of financial assets and liabilities held at fair value through profit or loss, and investment losses on disposal of related financial assets and liabilities	1,424,039	(16,082,076)
Net amount of other non-operating income and expenses	1,423,948	2,027,076
Reversal of provision for impairment of receivables tested individually	110,068	2,250,000
Other items of profit or loss conforming to the definition of non-recurring profit or loss	-	18,765,020
	<u>1,349,363,496</u>	<u>632,869,179</u>
Effect of income tax	(204,283,363)	(88,332,046)
Effect of gains or losses on minority interests (net of tax)	(363,305)	
	<u>1,144,716,828</u>	<u>544,537,133</u>

Basis for preparation of statement of non-recurring profit or loss

Under the requirements in the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss [2008]* from CSRC, non-recurring profit or loss refers to that arises from transactions and events that are not directly relevant to ordinary activities, or that are relevant to ordinary activities, but are extraordinary and not expected to recur frequently that would have an influence on users of financial statements making economic decisions on the financial performance and profitability of an enterprise.

2 Return on net assets and earnings per share

	Weighted average return on net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2022	2021	2022	2021	2022	2021
Net profit attributable to ordinary shareholders of the Company	10.28%	5.87%	1.06	0.67	1.06	0.67
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	(2.58%)	0.30%	(0.27)	0.03	(0.27)	0.03