

# **Jiangling Motors Corporation, Ltd.**



## **2024 Annual Report**

2025-03

## **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, Hu Hanfeng, 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 2024 profit distribution proposal approved by the Board of Directors is as follows:

A cash dividend of RMB 7.12 (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.

# Contents

<b>Chapter I</b>	<b>Important Notes, Contents and Abbreviations .....</b>	<b>2</b>
<b>Chapter II</b>	<b>Brief Introduction and Operating Highlight .....</b>	<b>5</b>
<b>Chapter III</b>	<b>Management Discussion and Analysis .....</b>	<b>10</b>
<b>Chapter IV</b>	<b>Corporate Governance Structure .....</b>	<b>31</b>
<b>Chapter V</b>	<b>Environment and Social Responsibilities.....</b>	<b>57</b>
<b>Chapter VI</b>	<b>Major events .....</b>	<b>62</b>
<b>Chapter VII</b>	<b>Share Capital Changes &amp; Shareholders.....</b>	<b>67</b>
<b>Chapter VIII</b>	<b>Preferred Shares .....</b>	<b>72</b>
<b>Chapter IX</b>	<b>Bond related Information .....</b>	<b>73</b>
<b>Chapter X</b>	<b>Financial Statements .....</b>	<b>74</b>

## Catalogue on Documents for Reference

1. Originals of 2024 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 2024.
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	<a href="http://www.jmc.com.cn">http://www.jmc.com.cn</a>		
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	<a href="http://www.szse.cn">http://www.szse.cn</a>
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Newspapers and Website for Publication of JMC's Annual Report	China Securities, Securities Times, Hong Kong 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	Ernst & Young Hua Ming LLP
Headquarters Address	Room 01-12, 17th Floor, Ernst & Young Building, Oriental Plaza, No. 1 East Chang'an Street, Dongcheng District, Beijing
Names of Signed Accountants	Qiao Chun, Yuan Yong

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

	2024	2023	Change (%)	2022
Revenue	38,374,160,748	33,167,325,081	15.70%	30,100,283,842
Profit Attributable to the Equity Holders of the Company	1,537,139,024	1,475,597,266	4.17%	915,049,168
Net Profit Attributable to Shareholders of Listed Company After Deducting Non-Recurring Profit or Loss	1,356,329,085	995,236,837	36.28%	-229,667,660
Net Cash Generated From Operating Activities	2,633,384,217	4,567,539,866	-42.35%	-1,518,573,952
Basic Earnings Per Share (RMB)	1.78	1.71	4.17%	1.06
Diluted Earnings Per Share (RMB)	1.78	1.71	4.17%	1.06
Weighted Average Return on Equity Ratio	14.20%	15.06%	-0.86%	10.28%
	End of Year 2024	End of Year 2023	Change (%)	End of Year 2022
Total Assets	30,839,912,640	29,141,187,886	5.83%	27,468,321,835
Shareholders' Equity Attributable to the Equity Holders of the Company	11,292,579,854	10,350,145,738	9.11%	9,243,817,333

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

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 between in accordance with overseas accounting standards and Chinese accounting standards

Applicable Not Applicable

#### 8. Main accounting data quarterly

Unit: RMB

	Q1	Q2	Q3	Q4
Revenue	7,974,792,045	9,945,273,756	9,810,550,680	10,643,544,267
Profit Attributable to the Equity Holders of the Company	482,364,920	413,115,197	270,610,898	371,048,009
Net Profit Attributable to Shareholders of Listed Company After Deducting Non-Recurring Profit or Loss	420,804,103	390,368,385	273,470,523	271,686,074
Net Cash Generated From Operating Activities	-614,291,227	1,347,620,904	993,043,975	907,010,565

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

	2024	2023	2022
Profit and loss of non-current assets disposal (including the charge-off part of the asset impairment provision)	665,549	-7,453,268	389,251,475
Government subsidies included in the current profit and loss	184,409,745	565,157,410	943,326,556
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,	22,603,584	6,052,713	1,424,039



trading financial liabilities and available for sale financial assets			
Capital occupation fee charged for non-financial enterprises included in the current profit and loss	4,766,151	11,289,415	13,827,410
Return of the impairment provision for receivables with a separate impairment test	5,433,007	-	110,068
Other non-operating income and expenses except the above	-2,284,867	6,379,649	1,423,948
Other profit and loss items that meet the definition of non-recurring profit and loss	-2,060,316	-11,097,866	-
Less: Income tax impact amount	33,377,674	89,195,274	204,283,363
Influence of minority shareholders' equity	-654,760	772,350	363,305
Total	180,809,939	480,360,429	1,144,716,828

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 2024, automobile production and sales were total completed at 31,282 thousand units and 31,436 thousand units, with a year-on-year growth of 3.7% and 4.5% respectively, with production and sales hitting new highs and continuing to remain at a scale of more than 30 million units, demonstrating strong resilience and vitality. Among them, the passenger car market continued to grow well, playing an important role in stabilizing the basic plate of automobile consumption. Compared with the passenger car market, the commercial vehicle market is relatively weak due to factors such as weakening investment and low freight rates, while the commercial vehicle market segments show different development trends. Under the combined effect of multiple factors such as favourable policies, abundant supply, lower prices and continuous improvement of infrastructure, China's new energy vehicle sales continue to grow. Automobile exports continued to maintain a high level, becoming an important force driving the growth of production and sales of China's total automobile.

The production and sales of passenger cars amounted to 27,477 thousand units and 27,563 thousand units respectively, with a year-on-year growth of 5.2% and 5.8% respectively. Among the main varieties of passenger cars, compared with the same period of the previous year, the production and sales of sport utility vehicles (SUV) showed faster growth than the industry as a whole; multi-purpose passenger vehicles (MPV) declined sharply.

The production and sales of commercial vehicles amounted to 3,805 thousand units and 3,873 thousand units respectively, with a year-on-year down 5.8% and 3.9% respectively, facing certain development pressure. Among the main varieties of commercial vehicles, compared with the same period of last year, the production and sales of buses increased, but the production and sales of trucks declined year-on-year. Among the main varieties of trucks, the production and sales of medium-sized trucks and light trucks rose, while the production and sales of heavy trucks and minivans declined. Among the main varieties of buses, sales of medium and large buses increased significantly, while light buses declined slightly.

In 2024, automobile exports achieved to 5,859 thousand units, a year on year increase of 19.3%. Among them, 4,955 thousand passenger cars were exported, a year on year increase of 19.7%; 904 thousand commercial vehicles were exported, a year on year increase of 17.5%. In terms of categories, 4,574 thousand conventional fuel vehicles were exported, a year on year increase of 23.5%; 1,284 thousand new energy vehicles were exported, a year on year increase of 6.7%.

In 2024, the production and sales of new energy vehicles were completed at 12,888 thousand units and 12,866 thousand units respectively, with year-on-year growth of 34.4% and 35.5%, and the sales of new energy vehicles reached 40.9% of the total sales of new vehicles, up 9.3 percent from 2023. In the main types of

new energy vehicles, compared with the previous year, the production and sales of fuel cell vehicles showed a double-digit decline, while the production and sales of other two types of new energy vehicles showed different degrees of 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, passenger vehicle SUVs and related components. The main products include JMC light truck, Pickup, light bus, Ford-branded light bus, MPV, Pickup and other commercial vehicles and passenger vehicle SUVs products. JMC also produces engines, frame, axle, and 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.

For 2024, JMC continued to increase its technological reserves and investment in new products, intelligent connection network, new energy and lightweighting, and strengthened its digital operation capability to realize the transformation of “four online”, including “products online”, “customers online”, “processes online” and “employees online”. Through digital technology, the Company improved operational efficiency, optimize business processes and innovative business models, and focused on customer-centered integration of the whole value chain. Innovation-driven marketing change, comprehensive optimization of the sales organization structure, and dealers to create a closer “common war together” model to improve market response speed. We innovated the capacity operation mode, officially launched the new system of “JMC Fun-to-Drive”, increased the capacity cooperation with logistics enterprises, and gradually formed a customer-centered commercial vehicle ecosystem, focusing on the whole life cycle of the automobile and providing customers with all-round solutions. JMC actively laid out the RV business and off-road pickup and modified car market to create unique products and lead the market trend; at the same time, the Company will accelerate the pilot operation of intelligent driving parks and create industry-leading automatic driving solutions. The Company will strengthen export cooperation and synergy, seize the opportunities of globalization, optimize the allocation of products, channels, after-sales and other resources, and continuously shape the new kinetic energy of the Company's development.

In 2024, JMC planned the productivity of 320 thousand units and the utilization rate was 108%.

Vehicle manufacturing and operation

Applicable Not Applicable

### Production and Sales Volume Information

	Production Volume (Unit)			Sales Volume (Unit)		
	2024 FY	2023 FY	YOY change (%)	2024 FY	2023 FY	YOY change (%)

By Products						
Light Bus	87,542	78,368	11.71%	87,310	80,223	8.83%
Truck	65,352	63,135	3.51%	61,932	62,815	-1.41%
Pickup	72,579	58,723	23.60%	73,242	59,660	22.77%
SUV	119,368	107,199	11.35%	118,724	107,310	10.64%
Total	344,841	307,425	12.17%	341,208	310,008	10.06%
By Region						
China	344,841	307,425	12.17%	341,208	310,008	10.06%

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

Applicable Not Applicable

#### 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 and front axle, etc. developed and manufactured independently. For some other key components, JMC keeps strategic cooperation with industry leading suppliers, e.g. Bosch, Baosteel, Garrett, ZF, Magna, Autoliv, and Dicastal. 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, Baidu 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	50,000	7,903	7,364	624,062,970
New Energy Passenger Vehicles and Pickup	50,000	1,732	1,420	216,197,668
New Energy Truck	30,000	6,042	2,155	278,003,400
Total	130,000	15,677	10,939	1,118,264,038

	Note: all new energy vehicles are collinear with corresponding fuel vehicles.			
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### 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 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 ranking among the top 100 most valuable automobile brands in the world for many consecutive years. In 2024, JMC light bus ranked No.1 in the segment, Pickup ranked No.2 in the segment, and light truck ranked No.6 in the segment. JMC export sales have made sustained growth, with sales of 116,630 units, a year -on -year increase of 5.9%. There are more than 100 overseas dealers, more than 1,000 showrooms, and more than 100 countries and regions exporting vehicles and CKDs, and Saudi Arabia has become the first overseas market with an annual export volume of 20,000 vehicles.

JMC always takes customers as the center, and provides customized integrated solution based on customer use scenarios. For customers in the field of medical and health care, the Company has launched more than 10 kinds of "big health" product series, including isolation transfer vehicle, medical checkup medical vehicle, medical waste transfer vehicle, disinfection and epidemic prevention vehicle, etc., contributing JMC's power to the national's big health. At the same time, the Company continues to empower smart logistics, design integrated solutions for the needs of large logistics customers to increase efficiency and reduce cost, and provide C2B customized product services, end-to-end logistics solutions and overall logistics capacity platform services.

The Company is a full scenario solution provider for light commercial vehicles. JMC light bus has an insight into customers' needs and the light bus operation scenarios, and has launched high-quality, excellent and cost-effective light bus product portfolios, achieving the full coverage of scenarios like freight, and passenger transport. At the same time, it also has strong customization capabilities, and continues to hold the first place in the market in light passenger conversion scenarios such as traveling, ambulance, money transportation and commercial. Relying on the leading technology line, JMC light truck has built the Qingyun Architecture, which combines five major technology platforms, including intelligent driving, intelligent Internet connection, advanced electrical architecture, diversified power and high-performance chassis, bringing users a more intelligent and comfortable, lightweight and energy-saving vehicle experience, meanwhile, the intelligent driver Jiangling E Lu Da extended range version, which combines the

four core advantages of “more, faster, wiser and more economical”, was newly launched, further perfecting the product matrix of Jiangling's Qingyun Architecture. JMC launched "JMC Dadao", a new Pickup product, positioning "Chinese pickup expert of full scenarios", covering the market of mid-to-high commercial and passenger dual-use and passenger off-road Pickups whose price are more than RMB 100,000. JMC has established the coexistence strategy of the three series of Pickup products and completed the full price and product matrix layout in the Pickup segment.

The Company's passenger car segment has a clear customer positioning, focusing on outdoor and off-road and intelligent mobility, and building a differentiated competitive system with “Ford Beyond” as its core brand. In terms of product positioning and advantages, relying on the hardcore off-road genes to build a full-scene product matrix, covering off-road, Pickup, urban and new energy sectors, launching new energy passenger vehicle SUV products, synchronized with a high-level intelligent cockpit and L3-level automatic driving capabilities, forming a “fuel + electric”, “traditional + intelligent” dual technical advantages. At the level of channel capability and user operation, the Company has established 118 4S stores and 42 satellite stores to cover 78% of the off-road market in China, optimized operational efficiency by combining AI digital tools and financial incentives, and held more than 800 Ford Beyond themed user activities throughout the year, and built the first outdoor theme park outside of North America, realizing the three-fold integration of experience, community ecology and operational digitization. As a differentiated competitiveness, the modification business has developed 100+ official certified models in cooperation with 58 modification factories, innovated the dual-wheel-drive model of “performance modification + mood parts”, and promoted the continuous growth of modification revenue by virtue of the original warranty endorsement to form a closed-loop ecosystem of product customization and deep excavation of user value.

The Company adheres to the dual-brand strategy of Self-owned and Ford, giving full play to its own advantages while deeply integrating Ford's global system. In terms of technology research and development, with the help of Ford's global platform, the Company has gradually formed the core competitiveness of independent research and development, established an independent research and development system, built an advanced global digital design platform, and jointly develops, designs and launches specific new products with Ford. The Company has been an industry-leading technology center and industrial design center in terms of brand channels, the Company currently has more than 700 tier 1 dealers, with a total of more than 2,000 dealers, and has established a modern marketing system through the four-in-one franchise model of sales, accessories, service and information. In terms of manufacturing management, the Company has vehicle production bases such as Xiaolan Plant and Fushan Plant, covering stamping, welding, painting, diesel engines, gasoline engines and other advanced manufacturing technology, to create a highly intelligent, highly flexible smart manufacturing center. The Company is a demonstration enterprise in Jiangxi

Province for integration of informatization and industrialization. In terms of autonomous driving, the Company has been working with strategic partner WeRide on commercialization practice, and has been approved to carry out "purely unmanned test" and "cargo test" for self-driving urban freight vehicles in Guangzhou, which is the first purely unmanned remote test permit for L4-class autonomous driving freight vehicles under urban open road scenarios in China. This is China's first purely unmanned remote test license for L4-class self-driving freight vehicles in urban open road scenarios. In the future, the Company will use light commercial vehicles as carriers, and deeply plough into the development and operation of self-driving in urban freight transportation and park logistics scenarios. In terms of new energy, the Company has comprehensively laid out a full spectrum of new energy products such as light buses, Pickups and light trucks, and launched a new pure-electric commercial vehicle platform, under which E Fushun & E Shunda are newly developed pure-electric architecture with all scenarios, all categories and global market-oriented products. Meanwhile, the new energy transportation brand "JMC Fun-to-Drive" has expanded the transport capacity and leasing business, providing customers with a systematic solution of "full-scene product coverage, full-scene customer service, and full-scene ecological construction". In terms of export business, the Company has entered into a Framework Agreement on Vehicle Export Opportunities with Ford. Leveraging Ford's mature global business layout and network, both parties intend to procure the Company to become an engineering and manufacturing center for exported products based in China, supporting Ford's global sales network. Currently, the Company's products have been exported to 105 countries and regions worldwide, covering Southeast Asia, the Middle East, and Latin America.

#### 4. Core Business Analysis

##### I. Summary

In 2024, China's annual automobile production and sales both saw robust growth, setting new historical record. Among them, the passenger car market continued its strong growth trend, achieving sales of 27,563 thousand units; the commercial vehicle market stabilized and rebounded; automobile exports reached a new high, with 5,859 thousand units exported throughout the year, effectively driving overall rapid growth of the industry.

During the reporting period, in order to respond to a tougher competitive environment, 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 2024, JMC achieved sales volume of 341,208 units, including 87,310 light buses, 61,932 trucks, 73,242 Pickups and 118,724 SUVs, with a year-on-year increase of 10.06%. In 2024, the total production volume was 344,841 units, including 87,542 light buses, 65,352 trucks, 72,579 Pickups and 119,368 SUVs, with a year-on-year increase of 12.17%.

In 2024, the operation revenue reached RMB 38,374 million, up 15.7% year-on-year. The operation cost was RMB 32,952 million, up 16.04% year-on-year. The marketing expense was RMB1,059 million, down 6.79% year-on-year. The administration expense was RMB 944 million, down 4.05% year-on-year. R&D cost was RMB 1,315 million, up 2.21% year-on-year. The financial expense was RMB -152 million, up 25.67% year-on-year.

## II. Revenue and Cost

### (a) Composition of Sales Revenue

Unit: RMB

	2024 FY		2023 FY		YOY change (%)
	Amount	Proportion (%)	Amount	Proportion (%)	
Revenue	38,374,160,748	100%	33,167,325,081	100%	15.70%
By Industry					
Automobile Industry	38,374,160,748	100%	33,167,325,081	100%	15.70%
By Products					
Vehicle	34,701,934,080	90.43%	30,379,757,733	91.60%	14.23%
Components	1,806,591,173	4.70%	1,719,943,033	5.18%	5.04%
Automobile Maintenance Services	727,295,125	1.90%	574,249,512	1.73%	26.65%
Material & Others	1,138,340,370	2.97%	493,374,803	1.49%	130.73%
By Region					
China	38,374,160,748	100%	33,167,325,081	100%	15.70%
Sales model					
Distribution	36,035,440,181	93.91%	31,896,589,121	96.17%	12.98%
Direct selling	2,338,720,567	6.09%	1,270,735,960	3.83%	84.04%

### (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	38,374,160,748	32,951,745,144	14.13%	15.70%	16.04%	-0.26%
By Products						
Vehicle	34,701,934,080	30,059,078,108	13.38%	14.23%	14.85%	-0.47%
By Region						
China	38,374,160,748	32,951,745,144	14.13%	15.70%	16.04%	-0.26%



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	2024	2023	Change (%)
Automobile	Sales Volume	unit	341,208	310,008	10.06%
	Production Volume	unit	344,841	307,425	12.17%
	Inventory Volume	unit	5,240	5,937	-11.74%

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	2024 FY		2023 FY		YOY Change (%)
		Cost	Proportion (%)	Cost	Proportion (%)	
Vehicle	Cost	30,059,078,108.00	91.22%	26,171,901,058.00	92.17%	14.85%
Components	Cost	1,234,273,997.00	3.75%	1,244,592,272.00	4.38%	-0.83%
Automobile Maintenance Services	Cost	710,258,938.00	2.15%	561,963,188.00	1.98%	26.39%
Material & Others	Cost	948,134,101.00	2.88%	417,730,549.00	1.47%	126.97%

(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)	12,410,051,262
Accounted for the proportion of JMC's total annual turnover	32.35%
Included related party transaction accounted for the proportion of JMC's total annual turnover	28.27%

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.	10,846,977,547	28.27%
2	Sichuan Jinhua New Energy Automobile Sales Co., Ltd.	411,711,701	1.07%
3	Yunnan Mingfu Automobile Sales and Service Co., Ltd.	406,311,583	1.06%
4	Xinjiang Jiangzhiling Automobile Sales Service Co., Ltd.	381,849,776	1%
5	Zhenjiang Suzhong Jiangling Automotive Sales Service Co., Ltd.	363,200,655	0.95%
Total		12,410,051,262	32.35%

Other introduction to main customers

Applicable Not Applicable

Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. is a related party of the Company.

Main Suppliers:

Total purchase value from top 5 suppliers (RMB)	5,605,039,632
Accounted for the proportion of JMC's total annual purchase amount	18.60%
Included related party transaction accounted for the proportion of JMC's total annual purchase amount	18.60%

Top 5 Suppliers:

No.	Name of the Supplier	Purchase Value (RMB)	Percentage of JMC's Total Annual Purchase Amount (%)
1	Ford Motor Company	1,400,778,072	4.65%
2	Nanchang Jianglin Huaxiang Automobile Parts Co., Ltd.	1,263,327,476	4.19%
3	Magna PT Powertrain (Jiangxi) Co., Ltd.	1,213,283,975	4.03%
4	Jiangxi Jiangling Chassis Co., Ltd.	868,277,838	2.88%
5	Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	859,372,271	2.85%
Total		5,605,039,632	18.60%

Other introduction to main suppliers

Applicable Not Applicable

Ford Motor Company, Nanchang Jianglin Huaxiang Automobile Parts Co., Ltd., Magna PT Powertrain (Jiangxi) Co., Jiangxi Jiangling Chassis Co., Ltd. and Jiangxi Zhonglian Intelligent Logistics Co., Ltd., are related parties of the Company.

### III. Expense

	Unit: RMB		
	2024	2023	YOY Change
Distribution Expenses	1,058,948,593	1,136,033,603	-6.79%
Administrative Expenses	943,622,568	983,458,031	-4.05%
Finance Income-net	-152,310,137	-204,908,754	25.67%
R & D Expenses	1,314,579,423	1,286,201,612	2.21%

### IV. Research & Development

Name of main R&D project	Project purpose	Project progress	Goals to be achieved
All New Electric Platform SUV Product Project	To enhance the competitiveness of passenger vehicle products for Ford Beyond, and meet the requirements of fleet dual credit policy for passenger vehicles in future	It is under development and will be launched in the second half of 2025.	Increase the Company's operating revenue.
All New Shunda Light Truck Domestic and Export Program	To upgrade the Company's Shunda brand light truck and further expand export opportunities	It is under development and will be launched for domestic market in the first half of 2025 and for export in the second half of 2025	Increase the Company's operating revenue.
All New Baodian/Yuhu Pickup Domestic and Export Program	To upgrade the Company's Baodian/Yuhu brand Pickup and further expand export opportunities	It is under development and will be launched for domestic market in the first half of 2025 and for export in the second half of 2025	Increase the Company's operating revenue.

### Company R & D personnel

	2024	2023	Change(%)
R&D staff (person)	2,628	2,477	6.10%
R&D staff as % of total employees	22.75%	21.32%	1.43%
Educational structure of R&D personnel			
Undergraduate	1,850	1,772	4.40%
Master	639	568	12.50%
Age composition of R&D personnel			
Under the age of 30 years old	586	590	-0.70%
30 ~ 40 years old	1,605	1,498	7.10%

### R&D Investment

	2024	2023	Change(%)

R&D investment (RMB)	1,699,761,123	1,846,382,521	-7.94%
R&D investment as % of revenue	4.43%	5.57%	-1.14%
Capitalization of R&D investment	385,181,700	560,180,909	-31.24%
Capitalization of R&D investment as % of R&D investment	22.66%	30.34%	-7.68%

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

## V. Cash Flow Analysis

Unit: RMB

Item	2024	2023	Change (%)
Cash received from operating activities	41,944,318,317	38,462,687,962	9.05%
Cash outflows from operating activities	39,310,934,100	33,895,148,096	15.98%
Net cash flows from operating activities	2,633,384,217	4,567,539,866	-42.35%
Cash received from investing activities	1,055,877,570	624,431,306	69.09%
Cash outflows from investing activities	2,415,222,271	1,796,589,520	34.43%
Net cash flows from investing activities	-1,359,344,701	-1,172,158,214	-15.97%
Cash received from financing activities	3,078,140,000	5,027,854,833	-38.78%
Cash outflows from financing activities	3,623,522,122	5,219,911,524	-30.58%
Net cash flows from financing activities	-545,382,122	-192,056,691	-183.97%
Net increase in cash and cash equivalents	728,657,394	3,203,324,961	-77.25%

Explanation on the major factors regarding major change of related data

Applicable Not Applicable

The year-on-year decrease in the Net cash flow generated from operating activities was primarily due to an increase in cash paid for operating activities compare with the same period.

The year-on-year decrease in the net cash flow generated from financing activities was mainly due to the increase in dividend payments and repayment of lease liability payments.

The year-on-year decrease in the net increase in cash and cash equivalents was mainly due to an decrease in net cash generated from operating activities.

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

Applicable Not Applicable

5. Non- core business analysis

Applicable Not Applicable

6. Analysis of Assets and Liabilities

I. Major changes

Unit: RMB

Asset item	End of 2024		Beginning of 2024		YOY
	Amount	Proportion	Amount	Proportion	Proportion change (Points)
Cash and cash equivalents	12,546,295,890	40.68%	11,830,560,675	40.60%	0.08%
Accounts receivables	4,181,008,234	13.56%	4,401,826,022	15.11%	-1.55%
Inventories	2,054,517,242	6.66%	1,560,259,511	5.35%	1.31%
Long-term equity investments	219,298,031	0.71%	233,798,348	0.80%	-0.09%
Fixed assets	5,749,474,005	18.64%	5,389,645,152	18.49%	0.15%
Construction in progress	661,911,780	2.15%	464,431,412	1.59%	0.56%
Right-of-use assets	158,485,688	0.51%	194,836,028	0.67%	-0.16%
Short-term borrowings	1,500,000,000	4.86%	1,300,000,000	4.46%	0.40%
Contract liabilities	467,704,291	1.52%	243,740,992	0.84%	0.68%
Long-term borrowings	941,453	0%	1,391,414	0%	0%
Lease liabilities	93,752,634	0.30%	138,005,943	0.47%	-0.17%

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		200,604,877	123,170,062	323,774,939	0

Loss/profit in fair value in the period		-604,877		-604,877	
Cumulative changes in fair value recorded into equity					
Impairment in the period					
Purchase in the period		600,000,000	3,601,628,180	4,201,628,180	
Sell in the period		800,000,000	3,422,732,740	4,222,732,740	
Other changes					
End of the period			302,065,502	302,065,502	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

Units: RMB

Items	Book value at the end of the period	Cause for restriction
Cash and cash equivalents	18,692,687	frozen funds for litigation.

## 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

(1) Derivative investments for hedging purposes during the reporting period

Applicable Not Applicable

Units: RMB'000

Types of Derivatives Investments	Foreign Exchange - Forward Purchase	Total
Initial investment amount	231,890	231,890
Amount at the beginning of the year	231,890	231,890
Gains and losses on fair value changes during the period	13,070	13,070
Cumulative fair value changes recognized in equity	18,310	18,310
Amount acquired during the reporting period	1,072,660	1,072,660
Amount sold during the reporting period	834,160	834,160
Amount at the end of the year	470,390	470,390
Proportion of the investment amount at the end of the period to the Company's net assets at the end of the reporting period	4.17%	4.17%
Statement on whether there were significant changes of the accounting policies and specific principles of accounting applied to hedging activities during the reporting period as well as compared with the previous reporting period	No.	
Explanation of actual gains and losses during the reporting period	The actual trading profit during the reporting period was RMB 5.24 million.	
Description of hedging effects	JMC forward business adheres to the principle of risk neutrality and is based on normal production and operation, with the main purpose of maintaining financial stability and avoiding the risk of exchange rate fluctuations.	
Sources of funds for derivatives investments	Self-owned funds.	
Risk analysis and description of control measures for derivative positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	Risk analysis: 1. Market risk: In the case of large exchange rate fluctuations, losses may arise from the deviation of the exchange rate of the forward contract from the market spot rate on the maturity date of the contract;	

2. Liquidity risk: it may be due to inaccurate forecasts that the delivery date signed by the forward is inconsistent with the actual delivery date, resulting in insufficient funds available for use at the time of delivery, which triggers the risk of fund liquidity and leads to failure to deliver as scheduled;

3. Credit risk: It may be due to inaccurate forecast, the delivery date signed by the forward is not consistent with the actual delivery period, resulting in the risk of delayed delivery caused by the forward foreign exchange transactions cannot be delivered according to the agreed time;

4. Operational risk: the risk may be caused by imperfect internal control mechanism and improper operation mode of operators;

5. Legal risk: may face legal risks due to insufficient completeness of contract terms or disputes over jurisdictional terms.

Risk control measures:

1. The Company conducts forward foreign exchange transactions based on scientific forecasts of forward foreign exchange demand in accordance with its business plan to meet operational needs, to avoid and prevent the impact of exchange rate fluctuations on the Company, and does not engage in speculative transactions;

2. With regard to the possible performance guarantee issues arising from foreign exchange derivative transactions, the business execution department of the Company will establish a tracking mechanism to implement tracking management of the progress of business receipts and payments to effectively prevent the risk of default on delivery and ensure that potential losses are controlled within the minimum scope;

3. Through strengthening the training of business knowledge, the Company will enhance the comprehensive business quality of relevant personnel and improve the ability to identify and prevent risks;

4. The Company has formulated the Foreign Exchange Risk Control Process, and the operators strictly follow the requirements of the system;

5. The Company chooses financial institutions with legitimate qualifications, good credit and long-term business relations with the Company as counterparties for forward foreign exchange transactions, with low risk of default.



Disclosure of changes in the market prices or fair value of derivative instruments held during the reporting period. The analysis of the fair value of derivatives shall disclose the specific valuation methods applied, as well as the underlying assumptions and parameters used.	The Company recognizes and measures the fair value in accordance with Chapter 7 “Measurement of Financial Instruments” of “Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments”, and the fair value is basically determined by reference to the bank's pricing for the purpose of fair value measurement and recognition. During the reporting period, the gain or loss on fair value changes of foreign exchange forward contracts amounted to RMB13.07 million.
Litigation status	No.

(2) Derivative investments for speculative purposes during the reporting period

Applicable Not Applicable

During the reporting period, the Company did not engage in any derivative investments for speculative purposes.

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

II. Sales of Major Equity

Applicable Not Applicable

9. Analysis of major shareholding companies

Applicable Not Applicable

Main Subsidiaries and the Joint-Stock Companies whose operating results 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 Automobile Technology (Shanghai) Co., Ltd.
Type of companies	Whole-owned subsidiary	Whole-owned subsidiary	Holding subsidiary
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	5,711,286.90	370,419.70	1,106,037.20
Net assets	152,743.70	335,761.70	-1,422,929.20
Turnover	19,936,912.50	366.70	5,322,618.20
Operating profit	-136,053.80	-31,052.40	-901,259.90
Net profit	-101,840.30	-30,481.10	-677,473.90

Acquisition and disposal of the subsidiaries

Applicable Not Applicable

Description of the main holding and participating companies

The impact of Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. on the Company's performance is increase in net profit attributable to shareholders of the listed company caused by the changes in Minority Interests.

10. Structured Entities Controlled by JMC

Applicable Not Applicable

11. Outlook

I. Industry Development

Under the influence of favorable factors such as the accelerated release of macro policy vitality, the continued role of the 'two new' policies, the continuation of the new energy purchase tax exemption policy, and the continued expansion of overseas market space, China's automobile market will continue to show a stable and improving development trend in 2025, with total sales expected to reach 32.9 million units, up 4.7% year-on-year, of which 28.9 million units will be passenger cars, a year-on-year growth of 4.9%, and 4.0 million units will be commercial vehicles, a year-on-year growth of 3.3%, new energy vehicles will continue to grow at a rapid pace, with annual sales expected to reach 16 million units, realizing a year-on-year growth rate of 24.4%. In terms of automobile exports, the growth rate is expected to slow down due to increased external environment pressure. It is expected that automobile exports will reach 6.2 million units in 2025, up 5.8% year-on-year.

II. Company Strategy

JMC adheres to the development vision of “becoming a leader in the light commercial vehicle industry and a high performance provider of Ford” and the values of “integrity, dedication, innovation and cooperation”. In terms of commercial vehicles, JMC aims at being a provider of comprehensive product and service solutions of urban and trunk logistics, and creating a “lifelong partner” new business concept to meet customer needs through offering customized products

and integrated services. In the passenger car field, JMC focuses on outdoor and off-road needs and provide differentiated products to create the ultimate customer experience. JMC will continue to focus on its core business, explore the potential of niche fields, always take customers' demands as orientation, enhance the market awareness of the whole value chain, and strive to shape its products into the leaders of niche market. JMC will also aim at the new development trend of the automobile industry, accelerate the transition to new energy vehicles, increase investment, carry out technology research and development and product innovation, anchor in overseas markets, establish and improve the international marketing service system, consolidate and expand the automobile exports to the markets of key countries and regions, cultivate automobile exports as a new growth point of enterprise development, and comprehensively lay out the technology in new industrialization, information technology application, urbanization, and agricultural modernization, make layout in the core fields of new energy vehicles, intelligent connected vehicles and autonomous driving, and accelerate the construction of a future-oriented and globally competitive business ecosystem through the overall synergy and the integration of the new industrialization, information technology application, urbanization, and agricultural modernization. JMC is committed to building a leading and perfect digital system to make the product design, manufacturing, delivery, after-sales service and other parts closer to user needs through in-depth data mining and demand analysis, so as to promote the pace of its digital transformation.

### III. Business Plan

In 2025, the Company plans to achieve the sales volume of 390 thousand units and the operation revenue of over RMB 40 billion. In order to further improve the management quality, the Company will devote itself to the following aspects in 2025:

- (1) To stabilize and enhance the Company's leading position in the light commercial vehicle segment, and to deepen its efforts in private sphere marketing and promoting brand upward;
- (2) To promote the optimization of Ford Beyond products, modifications, boutique products and services, operate user circles, create an off-road ecology, lead a new outdoor off-road lifestyle, and steadily increase sales;
- (3) To promote new energy strategic transformation, strengthen channels, comprehensively enhance the ability to develop in the field of new energy, open up new markets for capacity operation, and continue to improve the after-sales service system;
- (4) To deepen synergistic cooperation with shareholders, strengthen overseas localized operation, enrich product portfolio, enhance overseas service level, expand overseas market opportunities and further expand export scale;

(5) To adhere to the customer-centric approach, continue to stimulate system innovation, improve organizational effectiveness, gain deep insight into market changes and customer needs, and provide high-quality products and services;

(6) To launch and list the new pure-electric light bus, new pure-electric light truck, new BaoDian and Yuhu, new pure-electric SUV with high quality to enhance market competitiveness;

(7) To vigorously promote cost reduction and efficiency, advance digital transformation and upgrading, strengthen the development and application of big data models, enhance operational efficiency, and create an efficient and agile organization.

#### IV. Potential Risks and Solutions

In 2025, the global economic landscape will continue to adjust, and geopolitical conflicts will make the global economy full of greater uncertainties. China will implement a more proactive fiscal policy and a moderately loose monetary policy to expand domestic demand, promote consumption, strengthen industries and promote reform. A series of incremental policies will continue to exert force, further release the policy effect, further activate the domestic demand market, and the national economy is expected to maintain steady growth. However, at the same time, the penetration rate of new energy continues to rise, intelligent and digital development is accelerated, market concentration is further improved, and industry competition is more fierce, which brings greater challenges to the Company's operation. In order to continue maintain steady growth, JMC will focus on the following aspects:

(1) Customer-centered, based on customer needs and changes in the market environment, explore new business growth points and seize the first opportunity in accelerating development industries;

(2) Accelerate the strategic transformation of new energy, cultivate the core competitiveness of new energy products, create differentiated services on the new energy platform, and increase the sales and penetration rate of new energy products;

(3) Continue to expand overseas market opportunities, optimize our business model, promote the implementation of overseas business strategies, strengthen brand building, and enhance product competitiveness and customer service capabilities;

(4) Accelerate breakthroughs in research and development of key core technologies in the fields of new energy and power, intelligent networking, intelligent cockpit, intelligent driving and software capacity building;

(5) Continue to deepen the Company's digital transformation, in-depth research on

the application of big data models in actual business scenarios to improve operational efficiency;

(6) Strengthen the quality awareness of all staff, continue to carry out special actions for quality improvement, establish an all-round and whole-process preventive quality management system, and improve product quality;

(7) Carry out cost reduction and efficiency improvement work in an all-round and in-depth manner, strengthen the management and control of operating cash flow, consolidate and improve the quality of operations;

(8) Strengthen corporate governance, strictly abide by national laws and regulations, and improve risk assessment and control mechanism.

The Company will continue to be customer-centric, promote the high quality and efficient launch of traditional fuel and new energy products, actively explore new marketing models, drive brand upgrades and channel renewal, accelerate the implementation of key initiatives of the new energy strategy, increase the sales volume and penetration rate of new energy products, and further solidify its position as a leader in light commercial vehicles. The Company is also accelerating the construction of Ford's off-road ecosystem, enhancing market awareness, and expanding the scale of passenger car sales. The Company aims to significantly boost export business and explore new business and profit models. The Company remains committed to advancing development of the New Four Harmonization and accelerating digital transformation. At the same time, JMC will continue to implement the quality leadership strategy, optimize the cost structure, promote cost reduction and efficiency enhancement, improve profitability, and create sufficient cash flow to support the Company's high-quality development.

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

Applicable Not Applicable

Date	Communication Method	Type of Object	Information Discussed and Materials offered
January 22, 2024	telephonic communication	institutional investor	JMC Operating highlights
January 22, 2024	telephonic communication	institutional investor	JMC Operating highlights
January 23, 2024	telephonic communication	institutional investor	JMC Operating highlights
January 24, 2024	field research	institutional investor	JMC Operating highlights
January 31, 2024	telephonic communication	institutional investor	JMC Operating highlights
April 7, 2024	Online communication through network platform	Individual Investors	JMC Operating highlights

May 17, 2024	Online communication through network platform	Individual Investors	JMC Operating highlights
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13. Development and implementation of the market value management system and valuation enhancement plan

Whether the Company has a market value management system in place.

Yes No

Whether the Company has disclosed plans for valuation enhancement.

Yes No

14. Implementation of the action program "Double Enhancement of Quality and Return"

Whether the Company has disclosed the action plan of "Double Enhancement of Quality and Return".

Yes No

## 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 2024, the Company has held four shareholders' meetings, and the relevant contents are as follows:

##### 1. Session of the meeting: 2024 First Special Shareholders' Meeting

The meeting type: special shareholders' meeting

Investor participation ratio: 78.02%

Convening date: February 6, 2024

Disclosure date: February 7, 2024

The meeting resolutions:

1. approved the Proposal on Providing Financial Assistance to a Holding Subsidiary;
2. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with JMCG Finance Company;
3. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd. and its subsidiaries;
4. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Jiangling Motor Group Co., Ltd. and its subsidiaries;
5. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Ford and its subsidiaries;
6. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Magna PT Powertrain (Jiangxi) Co., Ltd.;
7. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Nanchang Jiangling Huaxiang Auto Components Co., Ltd.;
8. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Nanchang Baojiang Steel Processing Distribution Co., Ltd.;
9. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with China South Industries Group Co., Ltd. and its subsidiaries;
10. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Jiangxi Jiangling Lear Interior System Co., Ltd.;
11. approved the Proposal on the Y2024 Routine Related Party Transaction Framework with Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.

##### 2. Session of the meeting: 2024 Second Special Shareholders' Meeting

The meeting type: special shareholders' meeting

Investor participation ratio: 75.62%

Convening date: April 11, 2024

Disclosure date: April 12, 2024

The meeting resolutions:

1. approved the Proposal on Retaining of External Auditor and C-Sox Auditor;
2. approved the Proposal on Electing Ms. Zhong Junhua as a Director of the Eleventh Board of Directors of JMC.

##### 3. Session of the meeting: 2023 Annual Shareholders' Meeting

The meeting type: annual shareholders' meeting

Investor participation ratio: 76.73%

Convening date: June 25, 2024

Disclosure date: June 26, 2024



The meeting resolutions:

1. approved 2023 Work Report of the Board of Directors of JMC;
2. approved 2023 Work Report of the Supervisory Board of JMC;
3. approved 2023 Annual Report of JMC and the Extracts from such Annual Report;
4. approved 2023 Financial Statements of JMC;
5. approved the Proposal on JMC Profit Distribution for Year 2023.

4. Session of the meeting: 2024 Third Special Shareholders' Meeting

The meeting type: special shareholders' meeting

Investor participation ratio: 76.09%

Convening date: October 30, 2024

Disclosure date: October 31, 2024

The meeting resolutions:

1. approved the Proposal on Change of the External Auditor and C-SOX Auditor.

(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	Gender	Age	Position	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	Male	58	Chairman	2016.04.07-2026.06.15	0	0	0	0	0
Shengpo Wu	Male	58	Vice Chairman	2022.11.24-2026.06.15	0	0	0	0	0
Ryan Anderson	Male	51	Director	2021.10.18-2026.06.15	0	0	0	0	0
Yuan Mingxue	Male	56	Director	2021.10.18-2026.06.15	0	0	0	0	0
Xiong Chunying	Female	60	Director	2021.06.25-2026.06.15	1,200	0	0	0	1,200
			President	2021.05.01-2026.06.15					
Zhong Junhua	Female	48	Director	2024.04.11-2026.06.15	0	0	0	0	0
			EVP	2024.03.26-2026.06.15					
Yu Zhuoping	Male	64	Independent Director	2021.10.18-2026.06.15	0	0	0	0	0
Chen Jiangfeng	Male	45	Independent Director	2020.06.19-2026.06.15	0	0	0	0	0
Wang Yue	Female	46	Independent Director	2020.06.19-2026.06.15	0	0	0	0	0
Xiao Hu	Male	56	Chief supervisor	2018.12.06-2026.06.15	0	0	0	0	0
Zhang Yangyang	Male	45	Supervisor	2021.10.18-2026.06.15	0	0	0	0	0

Zhang Jian	Male	55	Supervisor	2011.06.23-2026.06.15	40	0	0	0	40
Ma Jian	Male	49	Supervisor	2022.03.18-2026.06.15	0	0	0	0	0
Li Yanling	Female	47	Supervisor	2022.03.18-2026.06.15	0	0	0	0	0
Ding Wenmin	Male	52	EVP	2022.06.01-2026.06.15	0	0	0	0	0
Joey Zhu	Male	42	CFO	2021.10.01-2026.06.15	0	0	0	0	0
Erik Hermann	Male	60	VP	2021.02.01-2026.06.15	0	0	0	0	0
Wu Xiaojun	Male	50	VP	2017.02.01-2026.06.15	0	0	0	0	0
Xu Lanfeng	Female	55	VP	2021.04.01-2026.06.15	0	0	0	0	0
			Board Secretary	2020.12.01-2026.06.15					
Wu Jiehong	Female	48	VP	2021.10.01-2026.06.15	0	0	0	0	0
Sam lo	Male	45	VP	2022.08.01-2026.06.15	0	0	0	0	0
Zeng Fafa	Male	46	VP	2022.08.01-2026.06.15	0	0	0	0	0
Anderson Liu	Male	52	VP	2022.11.25-2026.06.15	0	0	0	0	0
Chen Lei	Male	45	VP	2025.01.01-2026.06.15	0	0	0	0	0
Jin Wenhui	Male	57	Ex-Director	2019.06.28-2024.04.10	0	0	0	0	0
			Ex-EVP	2015.01.01-2024.03.25					
Liu Rangpo	Male	51	Ex-VP	2021.04.01-2024.12.31	0	0	0	0	0
Yang Shenghua	Male	44	Ex-VP	2021.12.01-2024.12.31	0	0	0	0	0
Total	—	—	-	—	1240	0	0	0	1240

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
Zhong Junhua	Director	Elected	2024.04.11	Work need
Jin Wenhui	Ex- Director	Leave	2024.04.10	Work rotation.
Zhong Junhua	EVP	Employment	2024.03.26	Appointment due to work need.
Jin Wenhui	Ex-EVP	Leave	2024.03.25	Work rotation.
Chen Lei	VP	Employment	2025.01.01	Appointment due to work need.
Liu Rangpo	VP	Leave	2024.12.31	Work rotation.
Yang Shenghua	VP	Leave	2024.12.31	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 International Markets Group, Chairman and President & Chief Executive Officer of Ford Motor (China) Ltd., Vice Chairman of JMC, Vice Chairman of Changan Ford Automobile Co., Ltd., Chairman of Fuqi Trading (Shanghai) Ltd, and Chairman of Ford Model e Technology (Nanjing) Co., Ltd. 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.

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 Changan Ford Automobile Co., Ltd. and Fuqi Trading (Shanghai) Ltd., Director and President of Ford Model e 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.

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 Chief Expert of Chongqing Chang'an Automobile Company Limited, Senior consultant of chairman business team 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, deputy Secretary of the Party Committee, Vice President, Executive Vice President, Chairman of the Labor Union for Chang'an Auto.

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, Executive Vice President, Director for JMC.

Ms. Zhong Junhua, born in 1976, graduated in Financial Accounting from School of Management, Shijiazhuang Tiedao University, holds a Bachelor's Degree in Economics and a MBA Degree, Certified Public Accountant, Senior Accountant, and is a Director of JMCG, a Director of Nanchang Jiangling Investment Co., Ltd., and a Director & EVP of JMC, an Executive Director & President of Jiangling Motor Sales Co., Ltd., a Chairman of Jiangling Ford Automobile Technology (Shanghai) Co., Ltd., in charge of marketing sales & service, and assist the President to manage the Company. Ms. Zhong Junhua held various positions including the chief of Assets and Finance Department for JMCG, Chairman of JMCG Finance Co., Ltd., General Manager, Chairman of Nanchang Jiangling Dingsheng Investment Management Co., Ltd., Vice General Manager of JMCG, Chairman of Jiangxi JMCG Specialty Vehicles Co., Ltd., and Chairman of Jiangxi Jiangling Group Special Vehicle Co., Ltd.

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 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 Deputy Chief Supervisor of China Society of Automotive Engineers, an Independent Director of JMC, an Independent Director of Ningbo Shenglong Automotive Powertrain System Co., Ltd., an Independent Director of Huayu Automotive Systems Co., Ltd. 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.

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 a Professor of School of Accountancy for Shanghai University of Financial and Economics, an Independent Director of JMC, and an Independent Director of Shanghai Chemspec Corporation. 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.

**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 deputy Commissioner for Management 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, the Director of the Personnel Bureau of the Nanchang Hi-tech Industry Development Zone Administrative Committee, and is a member of the Standing Committee of the CPC, the secretary of Discipline Inspection Commission and Chairman of Supervisory Board for JMCG.

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, General Counsel & China Policy Group Lead of Ford Motor (China) Ltd., Principle of Beijing Branch for Ford Motor (China) Ltd., a Director of Changan Ford Automobile Co., Ltd., a Supervisory of Ford Model e Technology (Nanjing) 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 a deputy Commissioner for Management for JMCG, 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, Chairman of JMCG Labor Union, 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.

Ms. Zhong Junhua, please refer to the part of Directors for her 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 an Automobile Design 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 for JMC.

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. 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 Welding Area Manufacturing Engineer, Craft Engineer, 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. Mr. Zeng Fafa held various positions including 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 for 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 Manager of Jiangling Ford Motor Automobile (Shanghai) Co., Ltd. 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.

Mr. Chen Lei, born in 1979, holds a Bachelor's degree in Electrical Automation from Jiangsu University of Science and Technology and an MBA degree from Nanjing University of Aeronautics and Astronautics, is a Vice President of JMC, in charge of procurement. Mr. Chen Lei has served as the Director of Supplier Technical Assistance (STA) and Electrified Propulsion Engineering (EPE) Supply Chain for Ford China, EPE Supply Chain Director for Ford China's EV Business, STA Director for Ford China, STA Director for Changan Ford, and the Senior Manager of Electrical STA for Ford Asia Pacific.

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
		President and CEO of Ford China and International Markets Group	2025.02.06	
Ryan Anderson	Ford	CFO, Ford China	2021.06.01	Y
Yuan Mingxue	JIC	Director	2019.05.28	N
Zhong Junhua	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	Y
Qiu Tiangao	Jiangxi ISUZU Co., Ltd.	Chairman	N
Qiu Tiangao	JMCG New Energy Vehicle Co., Ltd.	Chairman	N
Qiu Tiangao	Nanchang Jiangling Investment Co. Ltd.	Chairman	N
Shengpo Wu	Ford Motor (China) Ltd.	Chairman, President and CEO	N
Shengpo Wu	Lincoln Motor Sales Service (Shanghai) Co., Ltd.	Chairman	N
Shengpo Wu	Changan Ford Automobile Co., Ltd.	Vice Chairman	N
Shengpo Wu	Ford Technology (China) Holding, Inc.	Chairman	N
Shengpo Wu	Ford Model e Technology (Nanjing) Co., Ltd.	Chairman	N



Shengpo Wu	Fuqi Trading (Shanghai) Ltd.	Chairman	N
Ryan Anderson	Ford Motor (China) Ltd.	Director, Chief Financial Officer	N
Ryan Anderson	Chang'an Ford Automobile Co., Ltd.	Director	N
Ryan Anderson	Fuqi Trading (Shanghai) Ltd.	Director	N
Ryan Anderson	Lincoln Motor Sales Service (Shanghai) Co., Ltd.	Director	N
Ryan Anderson	Ford Model e Technology (Nanjing) Co., Ltd.	Chairman, President, Head of Power Technology branch	N
Ryan Anderson	Ford Technology (China) Holding, Inc.	Director	N
Yuan Mingxue	Chongqing Chang'an Automobile Company Limited	Chief Expert and Senior Consultant of Chairman Business Team	Y
Zhong Junhua	JMCG	Director	N
Zhong Junhua	Nanchang Jiangling Investment Co. Ltd.	Director	N
Zhong Junhua	Jiangling Motor Sales Co., Ltd.	Executive Director & General Manager	N
Zhong Junhua	Jiangling Ford Automobile Technology (Shanghai) Co., Ltd.	Chairman	N
Yu Zhuoping	Collaborative Innovation Center for Intelligent Energy Vehicles of Tongji University	Director	N
Yu Zhuoping	Tongji Automobile Design and Research Institute Co., Ltd.	Chairman	N
Yu Zhuoping	Shanghai Intelligent New Energy Vehicle Science and Technology Innovation Function Platform Co., Ltd.	Chairman & President	N
Yu Zhuoping	Huayu Automotive Systems Co., Ltd.	Independent Director	Y
Yu Zhuoping	Ningbo Shenglong Automotive Powertrain System Co., Ltd.	Independent Director	Y
Yu Zhuoping	Shanghai Municipal People's Government	Counsellor	N
Yu Zhuoping	China Society of Automotive Engineers	Deputy Chief Supervisor	N
Chen Jiangfeng	Gilead (Shanghai) Pharmaceutical Technology Co., Ltd.	Executive Director, Senior Deputy General Counsel	Y

Wang Yue	Shanghai University of Finance and Economics	Professor	Y
Wang Yue	Shanghai Chemspec Corporation	Independent Director	Y
Wang Yue	Shanghai Tiluo Medical Equipment Co., Ltd.	Independent Director	Y
Xiao Hu	JMCG	Deputy Commissioner for Management	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 & China Policy Group Lead, Principal of Beijing Branch	Y
Zhang Yangyang	Changan Ford Automobile Co., Ltd.	Director	N
Zhang Yangyang	Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Motor Research & Testing (Nanjing) Co. Ltd.	Supervisor	N
Zhang Yangyang	Fuqi Trading (Shanghai) Ltd.	Supervisor	N
Zhang Yangyang	Ford Model e Technology (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Ford Model e Automobile Sales (Nanjing) Co., Ltd.	Supervisor	N
Zhang Yangyang	Lincoln Motor Sales Service (Shanghai) Co., Ltd.	Supervisor	N
Zhang Yangyang	Jiangling Ford Automobile Technology (Shanghai) Co., Ltd	Supervisor	N
Zhang Yangyang	Ford Technology (China) Holding, Inc.	Director	N
Zhang Jian	JMCG	Deputy Commissioner for Management	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 Automobile 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, General Manger	N
Wu Xiaojun	Shenzhen Fujiang New Energy Automobile Sales Co., Ltd.	Executive Director	N
Wu Xiaojun	Guangzhou Fujiang New Energy Automobile Sales Co., Ltd.	Executive Director	N
Wu Xiaojun	Shanxi Yunnei Power Co., Ltd.	Director	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
Anderson Liu	Jiangling Ford Automobile 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

### (3). 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 to the grade of the senior executives, and the floating bonus 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 2024, the Company paid annual compensation before tax of approximately RMB 1,030 thousand to EVP Zhong Junhua, paid approximately RMB 2,090 thousand to EVP Ding Wenmin, paid approximately RMB 1,640 thousand to VP Wu Xiaojun, paid approximately RMB 1,640 thousand to VP & Board Secretary Xu Lanfeng, paid approximately RMB 1,690 thousand to VP Wu Jiehong, paid approximately RMB 1,560 thousand to VP Zeng Fafa, paid approximately RMB 1,070 thousand to Employee-representative Supervisor Ma Jian, paid approximately RMB 560 thousand to Employee-representative Supervisor Li Yanling, and paid annual compensation before tax of approximately RMB 980 thousand to Ex-Director & Ex-EVP Jin Wenhui, paid approximately RMB 1,610 thousand to Ex-VP Liu Rangpo. The total compensation before tax paid by JMC for the aforesaid persons was about RMB 13.87 million in the reporting period, including the long-term incentive of RMB 1,000 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 2024, 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 Sam Lo, pay RMB 4,210 thousand for VP Anderson Liu, and paid annual compensation before tax of approximately RMB 1,100 thousand to Ex-VP Yang Shenghua. 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 2024, the Company paid annual compensation before tax of RMB 100 thousand to Independent Director Yu Zhuoping, Independent Director Chen Jiangfeng, and Independent Director Wang Yue respectively.

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

Unit: RMB' 000

Name	Gender	Age	Position	Present (Y/N)	Compensation Before Tax Paid by JMC	Compensation Paid by Related Party (Y/N)
Qiu Tiangao	Male	58	Chairman	Y	0	Y
Shengpo Wu	Male	58	Vice Chairman	Y	0	Y
Ryan Anderson	Male	51	Director	Y	0	Y

Yuan Mingxue	Male	56	Director	Y	0	Y
Xiong Chunying	Female	60	Director & President	Y	*	Y
Zhong Junhua	Female	48	Director & EVP	Y	1,030	N
Yu Zhuoping	Male	64	Independent Director	Y	100	N
Chen Jiangfeng	Male	45	Independent Director	Y	100	N
Wang Yue	Female	46	Independent Director	Y	100	N
Xiao Hu	Male	56	Chief supervisor	Y	0	Y
Zhang Yangyang	Male	45	Supervisor	Y	0	Y
Zhang Jian	Male	55	Supervisor	Y	0	Y
Ma Jian	Male	49	Supervisor	Y	1,070	N
Li Yanling	Female	47	Supervisor	Y	560	N
Ding Wenmin	Male	52	EVP	Y	2,090	N
Joey Zhu	Male	42	CFO	Y	*	Y
Erik Hermann	Male	60	VP	Y	*	Y
Wu Xiaojun	Male	50	VP	Y	1,640	N
Xu Lanfeng	Female	55	VP & Board Secretary	Y	1,640	N
Wu Jiehong	Female	48	VP	Y	1,690	N
Sam lo	Male	45	VP	Y	*	Y
Zeng Fafa	Male	46	VP	Y	1,560	N
Anderson Liu	Male	52	VP	Y	*	Y
		45			0	Y
Jin Wenhui	Male	57	EX-Director & Ex-EVP	N	980	N
Liu Rangpo	Male	51	Ex-VP	N	1,610	N
Yang Shenghua	Male	44	Ex-VP	N	*	Y
Total	-	-	-	-	14,170	-

\*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	2024.01.10-01.18	2024.01.20	1. Agreed the proposal on Providing Financial Assistance to Jiangling Ford Motor Technology (Shanghai) Co, Ltd., a holding subsidiary of the Company, and submitted it to the Company's Shareholders' Meeting for approval; 2. Approved the 2023 Assets Impairment Provisions & Write-off proposal of the Company; 3. Approved the <i>Notice on Holding 2024 First Special Shareholders' Meeting of JMC.</i>
Fourth Session of the Eleventh Board	2024.03.26	2024.03.27	1. Approved the proposal on retaining of PricewaterhouseCoopers Zhong

			<p>Tian LLP as external auditor and C-SOX auditor of the Company for the year 2025-2027 and agreed to submit this proposal to the Shareholders' Meeting for approval;</p> <p>2. Approved <i>JMC Independent Director Working System</i> and <i>JMC Work Rules of Special Meetings of Independent Directors</i>;</p> <p>3. Approved the relevant personnel proposals;</p> <p>4. Approved the <i>Notice on Holding 2024 Second Special Shareholders' Meeting of JMC</i>.</p>
Paper Meeting	2024.03.21-03.28	2024.03.30	<p>1. Approved to submit to the 2023 Annual Shareholders' Meeting the proposal on Year 2023 profit distribution;</p> <p>2. Approved the 2023 Annual Report of the Company and the Extracts from such Annual Report;</p> <p>3. Approved the 2023 Work Report of the Board of Directors of the Company;</p> <p>4. Approved the 2023 Financial Statements of the Company;</p> <p>5. Approved the 2023 Internal Control Self-assessment Report of the Company;</p> <p>6. Approved the 2023 Environmental, Social and Governance (ESG) Report of the Company;</p> <p>7. Approved JMCG Finance Company Continuous Risk Assessment Report;</p> <p>8. Approved the Report of JMC on the Evaluation of the Auditor's Performance in 2023 and the Performance of the Audit Committee's Supervision Responsibilities;</p> <p>9. Approved the Special Assessment Opinions of the Board of Directors on Independence of Independent Directors of the Company.</p>
Paper Meeting	2024.04.18-04.22	2024.04.24	1. Approved the Company's 2024 First Quarter Report.
Paper Meeting	2024.05.24-05.31	2024.06.04	1. Approved the <i>Notice on Holding 2023 Annual Shareholders' Meeting of JMC</i> .
Fifth Session of the Eleventh Board	2024.06.25		No matters that should be disclosed are involved.
Paper Meeting	2024.07.25-08.02		No matters that should be disclosed are involved.

Paper Meeting	2024.08.20-08.28	2024.08.30	1. Approved JMC 2024 Half-year Report and the Extracts from such Report; 2. Approved JMCG Finance Company Continuous Risk Assessment Report.
Sixth Session of the Eleventh Board	2024.09.24	2024.09.25	1. Consideration and adoption of the Proposal on the Adjustment of the Company's External Auditor and C-SOX Auditor Arrangements.
Paper Meeting	2024.10.12-10.14	2024.10.15	1. Agreed the Proposal on Change the Accounting Firm and agreed to submit it to the shareholders' meeting for approval; 2. Approved the <i>Notice on Holding 2024 Third Special Shareholders' Meeting of JMC</i> .
Paper Meeting	2024.10.17 - 10.22	2024.10.24	1. Approved the Company's 2024 Third Quarter Report.
Seventh Session of the Eleventh Board	2024.12.10	2024.12.12	1. Approved the 2024 Routine Related Party Transaction Forecast Proposal; 2. Approved the relevant personnel proposals.
Paper Meeting	2024.12.11		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	13	4	9	0	0	N	3
Shengpo Wu	13	3	9	1	0	N	2
Ryan Anderson	13	4	9	0	0	N	1
Yuan Mingxue	13	3	9	1	0	N	1
Xiong Chunying	13	4	9	0	0	N	3
Zhong Junhua	10	3	7	0	0	N	1
Yu Zhuoping	13	4	9	0	0	N	3
Chen Jiangfeng	13	4	9	0	0	N	3
Wang Yue	13	4	9	0	0	N	3
Jin Wenhui	3	1	2	0	0	N	2

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

None.

(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 diligently, actively pay attention to the Company's management information, financial situation, and major issues, make thoroughly study and discussion on the proposals submitted to the Board of Directors and put forward their respective opinions, make recommendations for the Company's business development, fully consider the interests and demands of minority shareholders while making decisions, which strengthens the scientific of the Board's decision, and promotes the sustainable, stable and healthy development of the Company's operation.

### 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, Yu Zhuoping, Chen Jiangfeng

Secretary: Joey Zhu

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

The first Audit Committee meeting of 2024 was convened on January 16, 2024. Meeting contents:

Reviewed the 2023 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 2024 was convened on February 29, 2024. 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 2024 was convened on March 15, 2024. Meeting contents:

1. Reviewed the PwC Report;

2. Reviewed the 2023 Financial Report audited by the auditor and agreed to submit it to the Board of Directors for approval;



3. Reviewed the Evaluation of the Auditor's Performance in 2023 and the Performance of the Audit Committee's Supervision Responsibilities;
  4. Reviewed the 2023 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;
  6. Agreed to appoint PwC as external auditor from 2025 to 2027 and to submit this proposal to Board of Directors and Shareholder's meeting 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 2024 was convened on April 16, 2024.

Meeting contents:

Reviewed the First Quarter FY2024 Financial Accounting Statements and agreed to submit this proposal to Board of Directors for approval.

Important comments and suggestions made: None

Other performance of duties: None.

Details of the objection to matters: None.

The fifth Audit Committee meeting of 2024 was convened on June 25, 2024.

Meeting contents:

1. Reviewed the Internal Control Work Report for the first half of 2024 and the Work Plan for the second half of 2024;

2. Reviewed the PwC Report.

Important comments and suggestions made: None

Other performance of duties: None.

Details of the objection to matters: None.

The sixth Audit Committee meeting of 2024 was convened on August 13, 2024. Meeting contents:

Reviewed the First Half FY2024 Financial Accounting Statements and agreed to submit this proposal to Board of Directors for approval.

Important comments and suggestions made: None

Other performance of duties: None.

Details of the objection to matters: None.

The seventh Audit Committee meeting of 2024 was convened on September 20, 2024. Meeting contents:

Agreed to dismiss PwC as external auditor, reappoint the Company's financial reporting auditor and C-SOX auditor for the years 2024 to 2026, and to submit this proposal to BOD for approval.

Important comments and suggestions made: None

Other performance of duties: None.

Details of the objection to matters: None.

The eighth Audit Committee meeting of 2024 was convened on October 11, 2024. Meeting contents:

Agreed selecting Ernst & Young Huaming as external auditor and C-sox auditor from year 2024 to 2026 and submit this proposal to BOD and Shareholder's meeting for approval.

Important comments and suggestions made: None  
Other performance of duties: None.  
Details of the objection to matters: None.

The ninth Audit Committee meeting of 2024 was convened on October 14, 2024. Meeting contents:

Reviewed the First Quarter FY2024 Financial Accounting Statements and agreed to submit this proposal to Board of Directors for approval.

Important comments and suggestions made: None  
Other performance of duties: None.  
Details of the objection to matters: None.

The tenth Audit Committee meeting of 2024 was convened on December 10, 2024. Meeting contents:

1. Reviewed the Ernst & Young Report;
2. Reviewed the Year 2024 Assets Impairment Provision Report and agreed to submit it to the Board for approval;
3. Reviewed and approved the 2024 annual financial report audit timing plan;
4. Reviewed the 2024 Internal Control Work Report and approved the Internal Audit Work Plan for 2025.

Important comments and suggestions made: The Audit Committee recommended the company pay more attention to the potential risks of the relevant business, as well as the internal controls of high-risk distributors and suppliers.

Other performance of duties: None.  
Details of the objection to matters: None.

## (2) Compensation Committee

Members:

Chairman: Chen Jiangfeng

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

Secretary: Xu Lanfeng

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

A Compensation Committee meeting was convened on February 27, 2024. Meeting contents:

1. Reviewed and approved the Proposal on 2023 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 2024;
3. Reviewed and approved the KPIs for the Company's senior executives in 2024;
5. Reviewed and approved the 2023 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, Yuan Mingxue, Xiong Chunying,  
 Zhong Junhua  
 Secretary: Wu Jiehong

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

A Strategy Committee meeting was convened on December 20, 2024.

Meeting contents:

1. The Company's strategic review;
  2. The Company's Overseas Strategy.
- Important comments and suggestions made: None.  
 Other performance of duties: None.  
 Details of the objection to matters: None.

#### 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(person)	11,313
Employees in subsidiaries at the end of reporting period(person)	240
Total employees at the end of reporting period(person)	11,553
Total employees paid compensation (person)	12,171
Retired employees bore retirement benefits in parent company and its subsidiaries	618
<b>Professional Structure</b>	
Type	Employees (Person)
Production Worker	6,926
Sales Personnel	703
Technical Personnel	3,141
Finance Personnel	143
Administrative Staff	640
Total	11,553
<b>Educational Level</b>	
Type	Employees (Person)
Master degree and higher	973
Undergraduate degree	3,559
Polytechnic school degree	1,402
Below polytechnic school degree	5,619
Total	11,553

##### (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 promoted 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 strengthened 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 improved employee welfare policies to meet the diversified individual needs of employees and improve the employees' experience and satisfaction.

### (3) Training

In 2024, through conducting a comprehensive training needs survey, the Company provided employees with diverse and comprehensive training opportunities, establishing a differentiated talent development system. The Company encouraged and supported employees in continuous, efficient, and lifelong learning, fostering mutual growth for both the organization and employees.

Regarding horizontal development, the Company implemented cross-departmental and cross-functional training programs to promote multidimensional skill enhancement, strengthening team collaboration and innovation capabilities. For vertical development, customized training programs were designed for employees at different levels, supporting sustained growth opportunities throughout their careers. Meanwhile, The Company deepened university-industry collaboration by partnering with Tongji University for specialized high-level talent cultivation programs, and jointly established postdoctoral workstations with institutions like Nanchang University. Through the "theory-practice" cultivation model, the Company are building an industry-academia-research integrated innovation chain. The Company continued to advance the talent transformation project for new four modernization businesses, injecting innovative vitality into the enterprise.

### (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 or resolution of the Shareholders' Meeting (Y/N)	Y

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 2024 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)	7.12
Total share capital (share)	863,214,000
Total cash dividend distribution amounts (RMB) (including tax)	614,608,368
Amount of cash dividend (RMB) in other ways (e.g. repurchase of shares)	0
Total cash dividend amounts (RMB) (including other ways)	614,608,368
Distributable profit (RMB)	9,179,333,271
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 2024 profit distribution: the Company plans to distribute a cash dividend of RMB 7.12 (including tax) for every 10 shares held. Based on the total share capital of 863,214,000 shares as of December 31, 2024, the total cash dividend distribution amounts shall be RMB 614,608,368. 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 decides not to convert the capital reserve to the share capital this time. The proposal is subject to the approval of the Company's 2024 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 29, 2025	
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%	
<b>Deficiency Determination Criteria</b>		
Type	Type	Type
<b>Qualitative Criteria</b>	Material Weakness: An error that changes the trend of results, changes profit to loss or loss to profit; Ineffective anti-fraud process	Material Weakness: Unscientific decision making process such as incorrect decisions that result in unsuccessful mergers and

	<p>or any fraud involving senior management; Ineffective control over accounting policies; Ineffective oversight by the Audit Committee</p> <p><b>Significant Deficiency:</b> Errors in management reporting systems or Corporate accounting records that could lead to incorrect management decisions; Actions inconsistent with Company values, policies, approval authorities and other Corporate guidelines that are likely to significantly impact cost, quality, customer satisfaction, reputation, or competitive advantage; Significant control issues in IT infrastructure or applications that creates significant risk to corporate assets or processes; Identification of fraud of a significant magnitude or theft that is significant in value</p> <p><b>Minor Deficiency:</b> Any control deficiencies that do not meet the criteria for material or significant</p>	<p>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; Material weakness identified in the self-assessment without any action plan implemented</p> <p><b>Significant Deficiency:</b> a 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</p> <p><b>Minor Deficiency:</b> Any control deficiencies that do not meet the criteria for material or significant</p>
<b>Quantitative Criteria</b>	<p><b>Material Weakness:</b> Misstatement in the Financial Report is more than 1% of the total assets or 1% of the annual sales revenue in the latest audited consolidated Financial Statements, the lower of the two indicators above</p> <p><b>Significant Deficiency:</b> Misstatement in the Financial Report is more than 0.5% of the total assets or 0.5% of the annual sales revenue in the latest audited consolidated Financial Statements, the lower of the two indicators above</p> <p><b>Minor Deficiency:</b> All the deficiencies that don't meet the quantitative criteria for significant</p>	<p>Please refer to internal control deficiency over financial reporting for the criteria for non-financial reporting internal control.</p>
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 Ernst & Young Hua Ming LLP are as follows: On December 31, 2024, 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 29, 2025

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

After the Company's self-inspection, the Company's overall compliance operation was found to be in order and no rectification was found.



## 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

Issuing Authority	Regulations/Standards	Response Measures
Ministry of Ecology and Environment	<i>Pollutant Discharge Permit Management Measures</i>	Strictly implemented pollutant discharge permit requirements.
Ministry of Ecology and Environment	<i>Technical Guidelines for Mobile Source Supervision and Verification in Key Industries</i>	Integrated the logistics access control system with the environmental regulatory platform.
Jiangxi Provincial Department of Ecology and Environment	<i>Jiangxi Province Ecological Environment Classification Law Enforcement and Supervision Measures</i>	Strictly implemented in accordance with requirements.
Nanchang Municipal Ecology and Environment Bureau	<i>Notice on Publishing the List of Key Enterprises for Cleaner Production Audits in 2024</i>	The Xiaolan 2000-acre site successfully passed the cleaner production audit and received a RMB 500,000 funding subsidy.
Nanchang Municipal Ecology and Environment Bureau	<i>Notice on Issuing the "2024 List of Key Environmental Supervision Units in Nanchang"</i>	Xiaolan Plant, Fushan Plant, and Cast Plant who are designated as key pollutant discharge units strictly implemented requirements.
Office of Nanchang Ecological Environment Protection Committee	<i>Notice on Issuing the "Nanchang Low-Nitrogen Combustion Retrofit Work Plan for Gas (Oil) Boiler Facilities"</i>	Planned completion of low-nitrogen combustion retrofits by 2025, with efforts to obtain 50% funding subsidies.

#### Situation of administrative permit for environmental protection

In 2024, the pollutant discharge permit renewal application for the Fushan Plant was approved, the Xiaolan Plant has successfully reapplied for its pollutant discharge permit, and all other plant areas maintain valid permits.

In 2024, the technical upgrade project for the sub-frame welding line of SUV-related products at the frame facility has obtained environmental impact assessment (EIA) approval, and the new powder coating anti-corrosion line project for frames has also received EIA approval.

#### Industry emission standards and specifics of pollutant emissions involved in production and business activities

Name of company or subsidiary	JMC	JMC
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Kind of principal pollutant and specific pollutant	Wastewater discharge pollutant	Exhaust emission pollutant
Name of principal pollutant and specific pollutant	COD, NH-N	SO <sub>2</sub> , NO <sub>x</sub> , NMHC
Mode of discharge	Continuous discharge	Continuous discharge
Number of discharge outlet	5	150
Distribution of discharge outlet	1 in Fushan Site, 2 in Xiaolan Site, 1 in Cast Plant and 1 in Axle Plant	38 in Fushan Site, 81 in Xiaolan Site, 28 in Cast Plant and 3 in Axle Plant
Discharge concentration	COD: 26.32-102.27mg/L; NH-N: 0.04-5.16mg/L	NO <sub>x</sub> : 3-175mg/m <sup>3</sup> ; NMHC: Xiaolan Plant 10.05g/m <sup>2</sup> ; Fushan Plant 5.09g/m <sup>2</sup> ;
Applicable standard for pollutant discharge	Gan EIA [2015] No. 144; <i>Integrated Wastewater Discharge Standard</i> (GB 8978-1996)	<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); <i>Emission Standard of Air Pollutants for Foundry Industry</i> (GB 39726—2020)
Total amount of discharge	COD: 40.97t; NH-N: 1.94t	NO <sub>x</sub> : 77.87t NMHC: Xiaolan Plant 205t, Fushan Plant 64t
Total amount of discharge audited	COD≤517.39t; NH-N≤24.795t	NO <sub>x</sub> ≤95.59t NMHC≤1882.4t
Excessive discharge	Meet Standard	Meet Standard

### Treatment of pollutants

In 2024, the Company formulated the Agile Project "VOCs Online Monitoring Compliance Rate Improvement Plan", guiding plant operations of zeolite rotor + RTO treatment facilities through 18 measures encompassing responsibility assignment, equipment management, preventive maintenance, real-time monitoring, emergency response, and alarm resolution, ensuring stable and compliant emission data. The Fushan & Xiaolan Plants were recognized as Jiangxi Province's first batch of Grade A & B VOCs Performance enterprises in key industries during heavy pollution weather. Additionally, the Company was awarded the provincial "Beautiful Factory" title.

In 2024, approximately 830,000 metric tons of wastewater were treated, and the treated wastewater was better than the national emission standards. The Company implemented odor control and monitoring system upgrades at its wastewater and hazardous waste stations, deploying targeted odor capture equipment to precisely collect fugitive gases emitted from these facilities.

In waste management, the Company reduced costs through process optimizations and equipment upgrades in 2024, achieving a year-on-year decline in hazardous waste generation per vehicle. All hazardous waste storage and handling processes were transformed into intelligent and digitized systems. The hazardous waste disposal volume per unit in 2024 decreased by 14% compared to 2023. The Fushan Plant's solvent atomization cleaning process improvement project reduced annual hazardous waste by approximately 900 metric tons, saving 800,000 RMB/year in disposal costs. This project successfully secured a RMB 1.486 million subsidy from the Central Environmental Protection Fund.

In 2024, through collaborative efforts across departments, other environmental challenges were progressively addressed. The Company conducted inspections and renovations of the stormwater-sewage separation system across its facilities, resolving over 20 instances of mixed-flow issues to optimize drainage infrastructure and enhance environmental efficiency. The Fushan Paint Shop monitoring platform was upgraded to ensure efficient and safe exhaust gas monitoring operations. Additionally, new fire safety pipelines were installed in the Xiaolan waste station area, comprehensively elevating fire safety standards. Automated monitoring equipment and infrastructure were also updated and improved to guarantee data transmission consistency and accuracy.

#### **Emergency plan on emergency environmental incidents**

In 2024, the Company experienced no sudden environmental emergency incidents.

During the year, the Company updated emergency response plans for sudden environmental incidents across four major regions, which were filed with environmental authorities. Control measures were established for both actual and potential accidents and emergencies, and the Company conducted annual emergency drills to ensure the effectiveness of these plans.

#### **Environmental self-monitoring scheme**

The Company carries out self-monitoring in strict accordance with the requirements of the state. The monitoring schemes, monitoring results, and annual monitoring report on pollution sources were disclosed on the government platform. In 2024, the reporting rate of self-monitoring data of the Company's four plants on the national monitoring platform was 100%.

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

<b>Category</b>	<b>Project Name</b>	<b>Investment (RMB '000)</b>
<b>Environmental Governance</b>	Wastewater Treatment Plant Operation	4,330
	Waste Disposal	6,830
	Environmental Monitoring & Online Operations	1,040
	Automated Monitoring Equipment Upgrades	220

	Fushan Paint Shop Robot Cleaning Machine Retrofit	5,000
	Hazardous Waste Smart Management System Enhancement	100
	New Fire Safety Pipelines for Xiaolan Waste Station	50
	Fushan Paint Shop Monitoring Platform Improvements	170
	Stormwater-Sewage System Inspection and Renovation	400
	Odor Control and Monitoring Upgrades at Waste Stations	750
	<b>Environmental Tax</b>	240
	<b>Total</b>	19,130

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

Applicable Not Applicable

#### 1. Photovoltaic Power Generation

Jiangling Motors has constructed and grid-connected a 64MW distributed photovoltaic power generation project for parking lot canopies, with an average annual power generation of 64 million kWh. In 2024, the actual power generation reached 71,200.8 thousand kWh, while the Company's electricity consumption was 51,368.6 thousand kWh.

#### 2. Green Electricity Procurement

In 2024, the Company purchased 16,829 thousand kWh of green electricity, equivalent to reducing carbon dioxide emissions by 9,597.58 metric tons. This effort was recognized with a Green Electricity Consumption Certificate and Green Power Certificate.

#### 3. Energy-Saving Technical Upgrades

##### Xiaolan 3.6 Million kcal Electric Air Conditioning Project:

Jiangling Motors replaced an outdated lithium bromide absorption chiller (operating for over a decade) with a high-efficiency 3.6 million kcal magnetic levitation electric air conditioner. This initiative aligns with national goals to promote green and low-carbon practices in public institutions, transitioning from lithium bromide-based cooling systems to electric alternatives. The new system achieves a COP (Coefficient of Performance) above 6, significantly higher than the previous unit's COP of less than 3, resulting in annual savings of 800 metric tons of standard coal. Commissioned in early June 2024, the project reduced annual operating costs by RMB 1.5 million and lowered natural gas consumption by 360 thousand Nm<sup>3</sup>.

#### 4. Energy Efficiency Improvement for Fushan Station's Direct-Fired Hot Water System

Due to seasonal fluctuations in hot water demand for the paint shop, the lithium bromide solution in the direct-fired hot water system faced crystallization and gas release at high temperatures (140–150°C), reducing vacuum efficiency and trapping the system in a cycle of excessive gas consumption. Engineers resolved this by

adding a water storage tank to dilute the lithium bromide solution concentration from 54% to 44%, enhancing vapor absorption efficiency. The solution's operating temperature dropped to 130–140°C, reducing natural gas consumption by 110 thousand Nm<sup>3</sup> and saving RMB 440 thousand annually.

**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**

Details are contained in the Company's Environmental, Social and Governance (ESG) Report, which was disclosed on March 29, 2025.

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

The Company actively fulfilled its corporate social responsibility by promoting industrial assistance and consumer support for rural areas. Initiatives like the "Heartfelt Gratitude Journey: Jiangling Motors' Agricultural Support Campaign in Xinfeng" include organized purchases of high-quality agricultural products such as rice and yellow peaches from partnered villages. In 2024, the Company procured over 4,000 jin of rapeseed oil, 43,000 jin of yellow peaches, 4,000 jin of dried noodles, and 200,000 jin of navel oranges from these communities. Additionally, the Company strengthened poverty alleviation achievements through youth volunteer services, including charity education support and visits to assist impoverished students in partner villages.

The Company has continued its signature public welfare program, the "JMC Xiqiao Project". By the end of 2024, JMC had invested over RMB 41.9 million in the initiative, constructing 452 stream-crossing bridges across 25 provinces (municipalities, autonomous regions) and 130 counties, benefiting over 600,000 rural residents in underdeveloped regions. Furthermore, the Company actively engaged employees, customers, and partners in its Monthly Donor Program for the JMC Xiqiao Project, driving collective efforts toward rural revitalization.

## 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

Please refer to the Note 3 Summary of significant accounting policies and accounting estimates (24) Significant changes in accounting policies in the Chapter X Financial Statements for details.

### 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	Ernst & Young Hua Ming LLP
Compensation (RMB'000)	1,770
Consecutive years offering audit services	1
Names of signed accountants	Qiao Chun, Yuan Yong

Consecutive years offering audit services of signed accountants	Qiao Chun 1 year, Yuan Yong 1 year
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Dismissal of accounting firm

Yes No

Whether the accounting firm was rehired during the audit

Yes No

Whether the approval process for changing accounting firms is carried out

Yes No

Detailed explanation of the reappointment and change of accounting firms

In light of the potential impact on the Company's 2024 annual reporting work due to the penalties imposed by the Ministry of Finance on PwC Zhong Tian LLP (Special General Partnership) in September 2024, and adhering to the principle of prudence, the Company has resolved to change its external and internal control auditors. Following successive reviews and approvals by the Company's Board of Directors and the 2024 Third Special Shareholders' Meeting, the "Proposal on Chang of the External Auditor and C-SOX Auditor" was adopted. Consequently, Ernst & Young Hua Ming LLP (Special General Partnership) has been appointed as the Company's audit firm for the 2024-2026 fiscal years, providing both financial audit and C-SOX audit services.

Appointment of C-SOX auditor, financial consultant or sponsor

Applicable Not Applicable

Upon the approval of 2024 Third Special Shareholders' Meeting, JMC appointed Ernst & Young Hua Ming LLP as JMC's 2024 to 2026 C-SOX auditor. In 2024, JMC paid RMB 430 thousand to Ernst & Young Hua Ming 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 8 related party transactions of the notes to the consolidated financial statements in the Chapter X Financial Statements for details.

Index of the announcement on forecast of the routine related party Transactions:

Name	Disclosure Date	Website for Disclosure
Public Announcement on Forecast of the Routine Related Party Transactions in 2025	2024.12.12	www.cninfo.com.cn.

(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	Wholly-owned subsidiary of JMCG	*	1.35% - 2.25%	1,092,870	17,403,150	17,088,420	1,407,600

\* 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	Wholly-owned subsidiary	1,300,000		0	0	0	0



	of JMCG						
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#### Granting credit or other financial business

Related party	The related relationship	Type of business	Total (RMB thousands)	Actual amount (RMB thousands)
JMCG Finance Company	Wholly-owned subsidiary of JMCG	Granting credit	1,300,000	0

(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

#### 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 5 (14), Note 5 (16), note 5 (31), Note 5 (60) and note 8 (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

17. Major event of JMC subsidiary

Applicable Not Applicable

## 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%						750,840	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 46,024 shareholders, including 40,193 A-share holders, and 5,831 B-share holders, as of December 31, 2024.					
Total shareholders as of the last month-end prior to the disclosure date of the Report	JMC had 44,853 shareholders, including 38,944 A-share holders, and 5,909 B-share holders, as of February 28, 2025.					
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
Hong Kong Securities Clearing Company Ltd. (HKSCC)	Foreign legal person	2.94%	25,410,009	-8,803,819	0	0
Jin Xing	Domestic Natural Person	0.68%	5,836,700	-1,709,400	0	0
China Merchants Securities (HK) Co., Ltd.	Foreign legal person	0.58%	4,967,575	3,714,619	0	0
NEW CHINA LIFE INSURANCE COMPANY LTD.	Domestic non-State-owned legal persons	0.33%	2,876,900	2,876,900	0	0
Zhou Jianqi	Domestic Natural Person	0.25%	2,121,300	2,121,300	0	0
China Southern CSI 1000 Exchange Traded Open-End Index Securities Investment Fund	Domestic non-State-owned legal persons	0.20%	1,716,530	1,435,530	0	0
Xinning Bowen No. 1 Private Securities Investment Fund	Domestic non-State-owned legal persons	0.18%	1,580,000	1,580,000	0	0
Li Wei	Domestic Natural Person	0.17%	1,459,101	86,101	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	
Hong Kong Securities Clearing Company Ltd. (HKSCC)			25,410,009		A share	
Jin Xing			5,836,700		B share	
China Merchants Securities (HK) Co., Ltd.			4,967,575		B share	
NEW CHINA LIFE INSURANCE COMPANY LTD.			2,876,900		A share	
Zhou Jianqi			2,121,300		A share	

China Southern CSI 1000 Exchange Traded Open-End Index Securities Investment Fund	1,716,530	A share
Xinning Bowen No. 1 Private Securities Investment Fund	1,580,000	A share
Li Wei	1,459,101	B share
Explanation of the association or concerted action between the top 10 unlimited tradable shareholders, and between the top 10 unlimited tradable shareholders and the top 10 shareholders		None.
description of shareholders participating in financing and securities financing business		None.

Participation of Shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders with unlimited shares in the lending of shares in the refinancing business  
Applicable Not Applicable

Change in the top 10 shareholders of the Company and the top 10 shareholders with unlimited shares from the previous period due to lending/repatriation of refinancing business  
Applicable Not Applicable

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

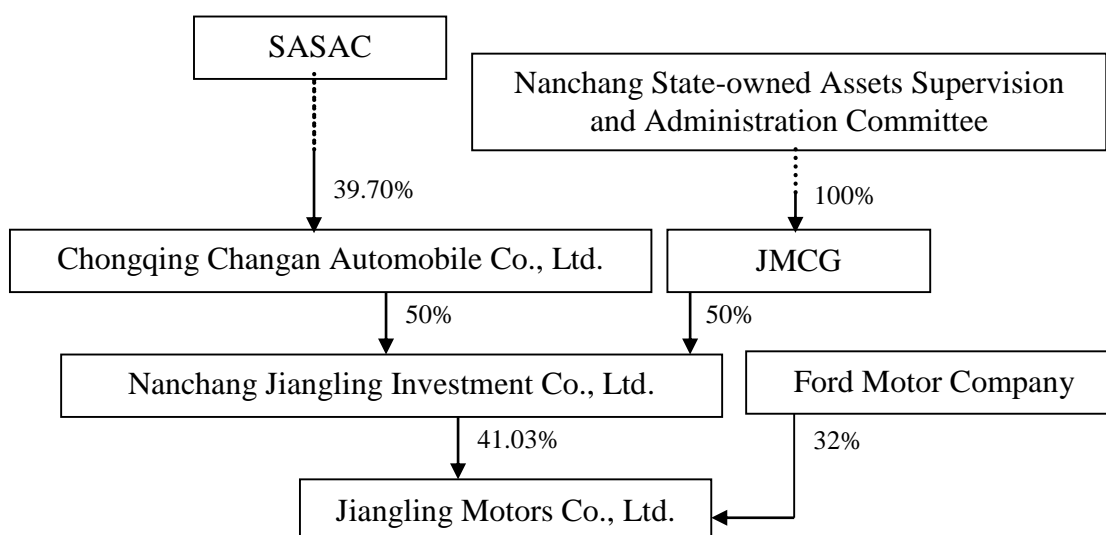
Name	Legal representative	Established Date	Organization code	Main scope of business
JMCG	Qiu Tiangao	July 27, 1991	91360000158263759R	manufacturing of automobiles, engines, chassis, specialty vehicle, transmission, other products, automotive quality testing, sales of self-produced products and raw materials, 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 27, 2025
Name of Auditor	Ernst & Young Hua Ming LLP
Document No. of Audit Report	Ernst & Young Hua Ming (2025) Shen Zi No. 70038404_V01

**JIANGLING MOTORS CORPORATION, LTD.**

**FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2024**

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

## AUDITOR'S REPORT

Ernst & Young Hua Ming (2025) Shen Zi No. 70038404\_V01  
Jiangling Motors Corporation, Ltd.

**To the board of directors of Jiangling Motors Corporation, Ltd.**

### **(I) Opinion**

We have audited the financial statements of Jiangling Motors Corporation, Ltd. (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2024, and the consolidated and company income statements, the consolidated and company statements of changes in equity and the consolidated and company statements of cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2024, and the consolidated and the Company's financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises ("ASBEs").

### **(II) 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 are independent of the Company in accordance with *China Code of Ethics for Certified Public Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **(III) Key audit matter**

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

## AUDITOR'S REPORT (continued)

Ernst & Young Hua Ming (2025) Shen Zi No. 70038404\_V01  
Jiangling Motors Corporation, Ltd.

### (III) Key audit matter (Cont'd)

<b>Key Audit Matter</b>	<b>How our audit addressed Key Audit Matter</b>
<b>Expenditure on research and development</b>	
<ul style="list-style-type: none"><li>R&amp;D expenditure in 2024 was RMB1,699,761,123, of which RMB385,181,700 was capitalized as R&amp;D expenditure. As at 31 December 2024, the balance of development expenditure was RMB188,103,430.</li><li>We recognize R&amp;D expenditure as a key audit matter because the R&amp;D expenditure is significant, part of which is capitalized, and the assessment of whether the capitalization conditions are met involves significant accounting judgments from JMC management regarding the technical feasibility of the project, the likelihood that the project will bring sufficient future economic benefits, and the timing of the capitalization commencement.</li><li>See notes 3(14)(2), 5(18) and 5(45) to the financial statements.</li></ul>	<p>The audit procedures we performed on expenditures on research and development included:</p> <ul style="list-style-type: none"><li>We understood and evaluated the design of internal controls related to expenditures on research and development, and tested the operation effectiveness of the key controls;</li><li>We obtained breakdown of expenditures on research and development by project and reconciled them with amounts recorded in general ledger;</li><li>We understood the cost allocation method of research and development projects, reviewed the results of allocation of indirect expenses, and verified the reasonableness the indirect expenses attributable to relevant projects, including payrolls, depreciation and amortization expenses;</li><li>We compared costs components across different projects and incurred research and development costs with corresponding budgets, and evaluated the progress of the different projects by interviewing with project managers on a sampling basis;</li><li>For projects which expenditures on research and development were capitalised, we understood the criteria and timing of capitalisation determined by management; we checked the feasibility reports of different projects and interviewed with relevant project managers, reviewed the verification reports and meeting minutes at different research and development stages to further confirm the reasonableness of the judgment made by management; and we assessed the technical feasibility of the development projects and the likelihood of the generating of sufficient future economic benefits by considering market information and the Company's successful development experience in the past;</li><li>We tested expenditures on research and development on a sampling basis by obtaining and inspecting documents, including contracts and invoices, to verify and evaluate the relevance with research and development activities, the reality of occurrence, the accuracy of amount and the reasonableness of classification;</li><li>We reviewed and confirmed the relevant expenditure on research and development has been sufficiently disclosed in financial statement.</li></ul>

## **AUDITOR'S REPORT** (continued)

Ernst & Young Hua Ming (2025) Shen Zi No. 70038404\_V01  
Jiangling Motors Corporation, Ltd.

### **(IV) Other information**

Management of Jiangling Motors is responsible for the other information. The other information comprises all of the information included in 2024 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.

### **(V) Responsibilities of the management and those charged with governance for the financial statements**

The management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with ASBEs, and for designing, implementing and maintaining such internal control as the 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 the financial statements, the management is responsible for assessing the Company'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 the management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **(VI) Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 generally 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 REPORT (continued)

Ernst & Young Hua Ming (2025) Shen Zi No. 70038404\_V01  
Jiangling Motors Corporation, Ltd.

### (VI) Auditor's responsibilities for the audit of the financial statements (Cont'd)

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

- (1) 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.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the 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 the Company'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 the 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 the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company 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 those charged with governance 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 those charged with governance 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.

From the matters communicated with those charged with governance, 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.

**AUDITOR'S REPORT** (continued)

Ernst & Young Hua Ming (2025) Shen Zi No. 70038404\_V01  
Jiangling Motors Corporation, Ltd.

Ernst & Young Hua Ming LLP

Chinese Certified Public Accountant: Terence Qiao

Chinese Certified Public Accountant: Derek Yuan

Beijing, the People's Republic of China

27 March 2025



**JIANGLING MOTORS CORPORATION, LTD.**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 DECEMBER 2024**  
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	Notes	31 December 2024 Consolidated	31 December 2023 Consolidated	31 December 2024 Company	31 December 2023 Company
Current assets					
Cash and cash equivalents	5(1)	12,546,295,890	11,830,560,675	9,269,593,792	8,697,182,460
Financial assets held for trading	5(2)	-	200,604,877	-	-
Derivative financial assets	5(3)	12,612,380	-	12,612,380	-
Notes receivable	5(4)	226,865	14,621,337	1,500,226,865	700,000,000
Accounts receivable	5(5)、15(1)	4,181,008,234	4,401,826,022	5,521,047,573	4,594,376,160
Financing receivables	5(6)	302,065,502	123,170,062	18,070,384	17,979,578
Advances to suppliers	5(7)	94,749,172	204,358,759	94,749,172	204,358,759
Other receivables	5(8)、15(2)	54,013,240	75,319,848	144,617,207	71,813,906
Inventories	5(9)	2,054,517,242	1,560,259,511	2,046,549,034	1,558,685,526
Current portion of non-current assets	5(11)	20,784,738	15,749,806	15,161,497	14,495,736
Other current assets	5(10)	1,228,372,977	951,659,556	777,406,955	731,819,005
Total current assets		20,494,646,240	19,378,130,453	19,400,034,859	16,590,711,130
Non-current assets					
Long-term receivables	5(12)	18,533,908	22,775,696	1,584,891	16,699,348
Long-term equity investments	5(13)、15(3)	219,298,031	233,798,348	771,951,961	786,452,278
Fixed assets	5(14)	5,749,474,005	5,389,645,152	5,111,224,814	5,176,956,698
Construction in progress	5(15)	661,911,780	464,431,412	582,757,760	438,083,465
Right-of-use assets	5(16)	158,485,688	194,836,028	142,207,976	183,725,741
Intangible assets	5(17)	1,811,454,853	1,691,021,121	1,596,623,962	1,469,907,538
Development expenditures	5(18)	188,103,430	283,738,155	188,103,430	283,738,155
Goodwill	5(21)	-	-	-	-
Deferred tax assets	5(19)	1,530,144,365	1,472,003,554	-	185,190,368
Other non-current assets	5(20)	7,860,340	10,807,967	7,860,340	10,807,967
Total non-current assets		10,345,266,400	9,763,057,433	8,402,315,134	8,551,561,558
TOTAL ASSETS		30,839,912,640	29,141,187,886	27,802,349,993	25,142,272,688

**JIANGLING MOTORS CORPORATION, LTD.**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**  
**AS AT 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND EQUITY	Notes	31 December 2024 Consolidated	31 December 2023 Consolidated	31 December 2024 Company	31 December 2023 Company
Current liabilities					
Short-term borrowings	5(22)	1,500,000,000	1,300,000,000	1,500,000,000	1,300,000,000
Derivative financial liabilities	5(3)	-	459,306	-	459,306
Accounts payable	5(23)	10,061,223,944	9,476,215,223	10,047,585,502	9,475,904,232
Contract liabilities	5(24)	467,704,291	243,740,992	536,871,795	29,190,915
Employee benefits payable	5(25)	780,174,574	890,051,287	672,858,988	788,409,476
Taxes payable	5(26)	265,198,389	118,399,765	256,969,632	97,718,547
Other payables	5(27)	5,739,064,167	5,944,976,093	2,130,094,497	2,377,082,577
Current portion of non-current liabilities	5(28)	86,155,114	93,383,898	81,053,594	86,713,258
Other current liabilities	5(29)	341,548,441	373,948,630	98,829,073	36,085,601
Total current liabilities		19,241,068,920	18,441,175,194	15,324,263,081	14,191,563,912
Non-current liabilities					
Long-term borrowings	5(30)	941,453	1,391,414	941,453	1,391,414
Lease liabilities	5(31)	93,752,634	138,005,943	82,241,628	134,081,724
Provisions	5(32)	287,165,703	315,700,263	3,553,345	-
Deferred income	5(33)	61,202,010	67,601,361	61,202,010	67,601,361
Long-term employee benefits payable	5(34)	59,342,000	52,891,000	58,991,000	52,562,000
Deferred tax liabilities	5(19)	130,301,876	19,256,890	111,616,233	-
Other non-current liabilities	5(35)	370,793,523	120,293,201	-	-
Total non-current liabilities		1,003,499,199	715,140,072	318,545,669	255,636,499
Total liabilities		20,244,568,119	19,156,315,266	15,642,808,750	14,447,200,411
Equity					
Share capital	5(36)	863,214,000	863,214,000	863,214,000	863,214,000
Capital surplus	5(37)	839,442,490	839,442,490	839,442,490	839,442,490
Other comprehensive income	5(38)	(26,388,000)	(20,572,000)	(26,738,000)	(20,979,000)
Special reserve		5,371,093	3,821,625	5,147,194	3,821,625
Surplus reserve	5(39)	431,607,000	431,607,000	431,607,000	431,607,000
Retained earnings	5(40)	9,179,333,271	8,232,632,623	10,046,868,559	8,577,966,162
Total equity attributable to shareholders of the Company		11,292,579,854	10,350,145,738	12,159,541,243	10,695,072,277
Minority interests		(697,235,333)	(365,273,118)	-	-
Total equity		10,595,344,521	9,984,872,620	12,159,541,243	10,695,072,277
TOTAL LIABILITIES AND EQUITY		30,839,912,640	29,141,187,886	27,802,349,993	25,142,272,688

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Hu Hanfeng

**JIANGLING MOTORS CORPORATION, LTD.**  
**CONSOLIDATED AND COMPANY INCOME STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

Item	Notes	2024 Consolidated	2023 Consolidated (Restated)	2024 Company	2023 Company (Restated)
Revenue	5(41)、15(4)	38,374,160,748	33,167,325,081	37,937,081,015	32,573,697,821
Less: Cost of sales	5(41)、15(4)	(32,951,745,144)	(28,396,187,067)	(32,466,245,873)	(27,534,419,185)
Taxes and surcharges	5(42)	(1,467,445,089)	(974,171,328)	(1,420,441,384)	(936,086,314)
Selling and distribution expenses	5(43)	(1,058,948,593)	(1,136,033,603)	(109,668,687)	(128,909,155)
General and administrative expenses	5(44)	(943,622,568)	(983,458,031)	(834,480,512)	(899,692,892)
Research and development expenses	5(45)	(1,314,579,423)	(1,286,201,612)	(1,314,579,423)	(1,286,201,612)
Financial expenses	5(46)	152,310,137	204,908,754	105,404,859	149,679,267
Including: Interest expenses		(20,304,855)	(41,844,790)	(19,811,045)	(36,373,400)
Interest income		198,915,297	251,052,563	150,980,757	189,389,569
Add: Other income	5(49)	514,430,051	567,529,766	512,394,471	563,577,455
Investment income	5(50)、15(5)	(942,269)	(10,579,046)	(5,236,433)	(17,317,710)
Including: Share of loss of associates and joint ventures		(10,363,917)	(9,591,118)	(10,363,917)	(9,591,118)
Gains on changes in fair value	5(51)	13,071,686	(2,827,127)	13,071,686	(3,432,004)
Credit impairment losses	5(48)	9,638,212	(5,964,483)	6,068,224	(4,170,386)
Asset impairment losses	5(47)	(66,600,824)	(345,125,558)	(66,600,824)	(509,025,850)
Gains on disposal of assets	5(52)	3,317,046	(3,908,476)	3,469,920	(4,425,983)
Operating profit		1,263,043,970	795,307,270	2,360,237,039	1,963,273,452
Add: Non-operating income	5(53)	5,043,793	8,875,880	3,032,110	7,026,529
Less: Non-operating expenses	5(54)	(9,980,157)	(6,041,023)	(7,121,776)	(5,991,770)
Total profit		1,258,107,606	798,142,127	2,356,147,373	1,964,308,211
Less: Income tax expenses	5(55)	(52,930,797)	266,352,570	(296,806,600)	(45,515,756)
Net profit		1,205,176,809	1,064,494,697	2,059,340,773	1,918,792,455
Classified by continuity of operations					
Net profit from continuing operations		1,205,176,809	1,064,494,697	2,059,340,773	1,918,792,455
Net profit from discontinued operations		-	-	-	-
Classified by ownership of the equity					
Minority interests		(331,962,215)	(411,102,569)	-	-
Attributable to shareholders of the Company		1,537,139,024	1,475,597,266	2,059,340,773	1,918,792,455
Other comprehensive income, net of tax		(5,816,000)	(7,087,750)	(5,759,000)	(7,134,750)
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	5(38)	(5,816,000)	(7,087,750)	(5,759,000)	(7,134,750)
Attributable to minority interests		-	-	-	-
Total comprehensive income		1,199,360,809	1,057,406,947	2,053,581,773	1,911,657,705
Attributable to shareholders of the Company		1,531,323,024	1,468,509,516	2,053,581,773	1,911,657,705
Attributable to minority interests		(331,962,215)	(411,102,569)	-	-
Earnings per share					
Basic earnings per share (RMB Yuan)	5(56)	1.78	1.71	—	—
Diluted earnings per share (RMB Yuan)	5(56)	1.78	1.71	—	—

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Hu Hanfeng

**JIANGLING MOTORS CORPORATION, LTD.**  
**CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	2024 Consolidated	2023 Consolidated	2024 Company	2023 Company
<b>Cash flows generated from operating activities</b>					
Cash received from sales of goods or rendering of services		41,351,813,244	37,150,759,550	39,365,760,196	33,349,485,191
Refunds of taxes		263,289,557	658,837,860	263,289,557	658,837,860
Cash received relating to other operating activities	5(57)	329,215,516	653,090,552	225,142,211	616,538,138
Sub-total of cash inflows		41,944,318,317	38,462,687,962	39,854,191,964	34,624,861,189
Cash paid for goods and services		(32,088,398,075)	(26,547,151,493)	(30,904,745,276)	(25,829,707,895)
Cash paid to and on behalf of employees		(2,690,580,651)	(2,564,423,876)	(2,474,503,947)	(2,361,423,689)
Payments of taxes and surcharges		(2,668,968,974)	(2,252,941,361)	(2,466,735,213)	(1,937,323,927)
Cash paid relating to other operating activities	5(57)	(1,862,986,400)	(2,530,631,366)	(1,095,294,099)	(1,395,818,726)
Sub-total of cash outflows		(39,310,934,100)	(33,895,148,096)	(36,941,278,535)	(31,524,274,237)
Net cash flows generated from operating activities	5(58)	2,633,384,217	4,567,539,866	2,912,913,429	3,100,586,952
<b>Cash flows used in investing activities</b>					
Cash received from disposal of investments		800,000,000	300,000,000	-	-
Cash received from returns on investments		9,035,441	7,215,548	4,136,400	5,093,356
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		28,537,053	2,193,226	22,365,729	2,920,918
Cash received from disposal of subsidiaries and other business units		-	60,900,000	-	60,900,000
Cash received relating to other investing activities	5(57)	218,305,076	254,122,532	158,686,106	193,082,627
Sub-total of cash inflows		1,055,877,570	624,431,306	185,188,235	261,996,901
Cash paid to acquire fixed assets intangible assets and other long-term assets		(1,810,776,307)	(1,296,500,813)	(1,811,006,047)	(1,295,937,393)
Cash paid to acquire investments		(600,000,000)	(500,000,000)	(94,113,000)	(53,167,203)
Cash paid relating to other investing activities		(4,445,964)	(88,707)	(4,445,964)	(88,707)
Sub-total of cash outflows		(2,415,222,271)	(1,796,589,520)	(1,909,565,011)	(1,349,193,303)
Net cash flows used in investing activities		(1,359,344,701)	(1,172,158,214)	(1,724,376,776)	(1,087,196,402)
<b>Cash flows used in financing activities</b>					
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		3,078,140,000	4,278,854,833	2,992,390,000	3,583,941,056
Cash received relating to other financing activities		-	700,000,000	-	-
Sub-total of cash inflows		3,078,140,000	5,027,854,833	2,992,390,000	3,583,941,056
Cash repayments of borrowings		(2,813,318,287)	(4,106,648,284)	(2,813,318,287)	(3,406,648,284)
Cash payments for distribution of dividends, profits or interest expenses		(599,144,621)	(377,731,962)	(599,144,621)	(377,731,962)
Cash paid relating to other financing activities	5(57)	(211,059,214)	(735,531,278)	(203,163,964)	(27,737,455)
Sub-total of cash outflows		(3,623,522,122)	(5,219,911,524)	(3,615,626,872)	(3,812,117,701)
Net cash flows used in financing activities		(545,382,122)	(192,056,691)	(623,236,872)	(228,176,645)
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>					
		-	-	-	-
Net increase in cash and cash equivalents	5(58)	728,657,394	3,203,324,961	565,299,781	1,785,213,905
Add: Cash and cash equivalents at beginning of year	5(58)	11,746,518,615	8,543,193,654	8,648,791,242	6,863,577,337
Cash and cash equivalents at end of year	5(58)	12,475,176,009	11,746,518,615	9,214,091,023	8,648,791,242

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Hu Hanfeng

**JIANGLING MOTORS CORPORATION, LTD.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Attributable to shareholders of the parent company						Minority interests	Total equity
		Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings		
Balance at 1 January 2023		863,214,000	839,442,490	(13,484,250)	-	431,607,000	7,123,038,093	(3,170,549)	9,240,646,784
Movements for the year ended 31 December 2023		-	-	(7,087,750)	3,821,625	-	1,109,594,530	(362,102,569)	744,225,836
Total comprehensive income									
Net profit/(loss)		-	-	-	-	-	1,475,597,266	(411,102,569)	1,064,494,697
Other comprehensive income		-	-	(7,087,750)	-	-	-	-	(7,087,750)
Total comprehensive income for the year		-	-	(7,087,750)	-	-	1,475,597,266	(411,102,569)	1,057,406,947
Capital contributed by owners and capital decreases									
Capital invested by shareholders		-	-	-	-	-	-	49,000,000	49,000,000
Profit distribution									
Distribution to shareholders	5(40)	-	-	-	-	-	(366,002,736)	-	(366,002,736)
Special reserves									
Withdrawal this year		-	-	-	29,300,742	-	-	-	29,300,742
Used this year		-	-	-	(25,479,117)	-	-	-	(25,479,117)
Balance at 31 December 2023		863,214,000	839,442,490	(20,572,000)	3,821,625	431,607,000	8,232,632,623	(365,273,118)	9,984,872,620
Balance at 1 January 2024		863,214,000	839,442,490	(20,572,000)	3,821,625	431,607,000	8,232,632,623	(365,273,118)	9,984,872,620
Movements for the year ended 31 December 2024		-	-	(5,816,000)	1,549,468	-	946,700,648	(331,962,215)	610,471,901
Total comprehensive income									
Net profit/(loss)		-	-	-	-	-	1,537,139,024	(331,962,215)	1,205,176,809
Other comprehensive income		-	-	(5,816,000)	-	-	-	-	(5,816,000)
Total comprehensive income for the year		-	-	(5,816,000)	-	-	1,537,139,024	(331,962,215)	1,199,360,809
Capital contributed by owners and capital decreases									
Capital invested by shareholders		-	-	-	-	-	-	-	-
Profit distribution									
Distribution to shareholders	5(40)	-	-	-	-	-	(590,438,376)	-	(590,438,376)
Special reserve									
Withdrawal this year		-	-	-	29,631,611	-	-	-	29,631,611
Used this year		-	-	-	(28,082,143)	-	-	-	(28,082,143)
Balance at 31 December 2024		863,214,000	839,442,490	(26,388,000)	5,371,093	431,607,000	9,179,333,271	(697,235,333)	10,595,344,521

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Hu Hanfeng

**JIANGLING MOTORS CORPORATION, LTD.**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
(All amounts in RMB Yuan unless otherwise stated)

Item	Note	Share capital	Capital surplus	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total equity
Balance at 1 January 2023		863,214,000	839,442,490	(13,844,250)	-	431,607,000	7,025,176,443	9,145,595,683
Movements for the year ended 31 December 2023		-	-	(7,134,750)	3,821,625	-	1,552,789,719	1,549,476,594
Total comprehensive income								
Net profit		-	-	-	-	-	1,918,792,455	1,918,792,455
Other comprehensive income		-	-	(7,134,750)	-	-	-	(7,134,750)
Total comprehensive income for the year		-	-	(7,134,750)	-	-	1,918,792,455	1,911,657,705
Profit distribution								
Distribution to shareholders	5(40)	-	-	-	-	-	(366,002,736)	(366,002,736)
Special reserve								
Withdrawal this year		-	-	-	29,300,742	-	-	29,300,742
Used this year		-	-	-	(25,479,117)	-	-	(25,479,117)
Balance at 31 December 2023		863,214,000	839,442,490	(20,979,000)	3,821,625	431,607,000	8,577,966,162	10,695,072,277
Balance at 1 January 2024		863,214,000	839,442,490	(20,979,000)	3,821,625	431,607,000	8,577,966,162	10,695,072,277
Movements for the year ended 31 December 2024		-	-	(5,759,000)	1,325,569	-	1,468,902,397	1,464,468,966
Total comprehensive income								
Net profit		-	-	-	-	-	2,059,340,773	2,059,340,773
Other comprehensive income		-	-	(5,759,000)	-	-	-	(5,759,000)
Total comprehensive income for the year		-	-	(5,759,000)	-	-	2,059,340,773	2,053,581,773
Profit distribution								
Distribution to shareholders	5(40)	-	-	-	-	-	(590,438,376)	(590,438,376)
Special reserve								
Withdrawal this year		-	-	-	29,407,712	-	-	29,407,712
Used this year		-	-	-	(28,082,143)	-	-	(28,082,143)
Balance at 31 December 2024		863,214,000	839,442,490	(26,738,000)	5,147,194	431,607,000	10,046,868,559	12,159,541,243

Legal representative: Qiu Tiangao

CFO: Joey Zhu

Finance Department: Hu Hanfeng

# JIANGLING MOTORS CORPORATION, LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(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 address of its headquarters is 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 Zheng Ban Fu [1995] No. 92), the Company issued 174,000,000 ordinary shares (“B shares”). In 1998, with the approval of CSRC (Zheng Jian Guo 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 5(36).

As at 31 December 2024, the Company’s paid-in capital totalled RMB863,214,000, with par value of RMB1 per share.

The actual principal 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.

These financial statements were authorised for issue by the Company’s Board of Directors on 27 March 2025.

### 2 Basis of preparation of the financial statement

#### (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 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.

#### (2) Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**3 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 on receivables, valuation of inventories, Inventory write-down provision, depreciation of fixed assets and amortisation of intangible assets and right-of-use assets, criteria for capitalisation of development expenditures, impairment of long-term assets, recognition and measurement of revenue, and government grants etc.

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

The financial statements of the Company for the year ended 31 December 2024 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 2024 and their financial performance, cash flows and other information for the year then ended.

(2) Accounting year

The Group's accounting year is a calendar year, i.e. from 1 January to 31 December each year.

(3) Functional currency

The base currency of the Company and its subsidiaries and the currency used in the preparation of these financial statements are RMB. Unless otherwise specified, they are expressed in RMB.

(4) The determination method and selection basis of the material standard followed by financial statement disclosure

Significant recovery or reversal of allowance for doubtful accounts receivable

The amount of a single recovery or reversal exceeds 1% of the total amount of various receivables and is greater than RMB 15 million.

Significant prepayments with an aging of over 1 year

The amount of a single prepayment exceeds 10% of the total amount of various prepayments and is greater than RMB 15 million.

Significant construction in progress

The budget of a single project exceeds RMB 50 million.

Significant non-wholly owned subsidiaries

The net assets of the subsidiary account for more than 5% of the group's net assets, or its net profit impact reaches 10% or more of the group's consolidated net profit.

Significant associated companies

The carrying value of long-term equity investment in a single investee exceeds 5% of the group's net assets or is greater than RMB 100 million, or the investment income/loss under the equity method accounts for 10% or more of the group's consolidated net profit.



## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (5) Preparation of consolidated financial statements

The scope of consolidation of the consolidated financial statements is determined on a control basis, including the financial statements of the Company and all of its subsidiaries. "Subsidiary" refers to the entity controlled by the Company (including the divisible part of the enterprise and the investee, as well as the structured entity controlled by the Company, etc.). An investor can control an investee if and only if the investor has the following three elements: the investor has authority over the investee; Variable returns for participation in the investee's related activities; Ability to use power over the investee to influence the amount of its return.

If the accounting policies or accounting periods adopted by the subsidiary are inconsistent with those adopted by the Company, the financial statements of the subsidiary shall be adjusted as necessary in accordance with the accounting policies and accounting periods of the Company when preparing the consolidated financial statements. The assets, liabilities, equity, revenues, expenses and cash flows arising from all transactions between companies within the Group are fully offset at the time of the consolidation.

If the current loss shared by the minority shareholders of the subsidiary exceeds the share of the minority shareholders in the shareholders' equity at the beginning of the period, the balance shall still be offset against the minority shareholders' equity.

For subsidiaries acquired through a business combination not under common control, the operating results and cash flows of the acquiree are included in the consolidated financial statements from the date on which the Group acquires control until the termination of the Group's control over them. In preparing the consolidated financial statements, the financial statements of subsidiaries are adjusted on the basis of the fair value of the identifiable assets, liabilities and contingent liabilities determined at the date of acquisition.

For subsidiaries acquired through a business combination under the same control, the operating results and cash flows of the consolidated party are included in the consolidated financial statements from the beginning of the current period of consolidation. When compiling the comparative consolidated financial statements, the relevant items of the previous financial statements are adjusted to be deemed to have existed since the ultimate controller began to exercise control.

If changes in relevant facts and circumstances result in a change in one or more of the control elements, the Group will reassess whether to control the investee.

Without loss of control, a change in minority shareholders' interests is treated as an equity transaction.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (6) Cash and cash equivalents

Cash comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value.

##### (7) Foreign currency translation

The Group translates foreign currency transactions into its functional currency.

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency is converted into the base currency of account using the spot exchange rate on the date of the transaction, but the capital invested by the investor in the foreign currency is converted at the spot exchange rate on the date of the transaction. At the balance sheet date, the spot exchange rate at the balance sheet date is used for foreign currency monetary items. The resulting differences in settlement and translation of monetary items shall be included in profit or loss for the current period, except for the differences arising from special foreign currency borrowings related to the acquisition and construction of assets eligible for capitalization, which shall be treated in accordance with the principle of capitalization of borrowing costs. Foreign currency non-monetary items measured at historical cost are still translated using the exchange rate used at the time of initial recognition, and the amount in the base currency of accounting remains unchanged. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date of fair value determination, and the resulting difference is recognized in profit or loss or other comprehensive income for the current period according to the nature of the non-monetary items.

Cash flows in foreign currencies are translated using the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash is presented separately in the statement of cash flows as a reconciliation item.

##### (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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(8) Financial instruments (Cont'd)

(a) Recognition and derecognition of financial instruments

The Group recognises a financial asset or financial liability when it becomes a party to a contract for a financial instrument.

If the following conditions are met, the financial assets (or part of the financial assets, or part of a group of similar financial assets) shall be derecognized, that is, the previously recognized financial assets shall be transferred out of the balance sheet:

- (1) Expiration of the right to receive cash flows from financial assets;
- (2) transferred the right to receive cash flows from financial assets or assumed an obligation under a "transfer agreement" to promptly pay the cash flows received in full to a third party; and substantially transfers substantially all of the risks and rewards of ownership of a financial asset, or, while substantially neither transferring nor retaining substantially all of the risks and rewards of ownership of a financial asset, but relinquishes control of that financial asset.

If the obligation for the financial liability has been fulfilled, cancelled or expired, the financial liability is derecognized. If an existing financial liability is replaced by another financial liability by the same creditor with substantially almost entirely different terms, or the terms of the existing liability are substantially all modified, such replacement or modification is treated as a derecognition of the original liability and recognition of a new liability, the difference in profit or loss for the current period.

The purchase and sale of financial assets in the conventional way is recognized and derecognized according to the accounting of the transaction date. The purchase or sale of financial assets in a conventional manner means the purchase or sale of financial assets in accordance with a contract that provides for the delivery of financial assets in accordance with a schedule normally determined by regulations or market practice. A trading day is the date on which the Group commits to buy or sell a financial asset.

(b) Classification and measurement of financial assets

At the time of initial recognition, the Group's financial assets are classified according to the Group's business model of managing financial assets and the contractual cash flow characteristics of financial assets: financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. All affected underlying financial assets will be reclassified if and only when the Group changes its business model for managing financial assets.

Financial assets are measured at fair value at the time of initial recognition, but if the accounts receivable or notes receivable arising from the sale of goods or the provision of services, etc., do not contain a material financing component or do not consider the financing component of no more than one year, the initial measurement shall be carried out according to the transaction price.

For financial assets measured at fair value through profit or loss, the relevant transaction costs are directly recognized in the current profit or loss, and the transaction costs related to other types of financial assets are included in the initial recognition amount.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(8) Financial instruments (Cont'd)

(b) Classification and measurement of financial assets (Cont'd)

The subsequent measurement of a financial asset depends on its classification:

Investments in debt instruments measured at amortized cost

If a financial asset meets the following conditions at the same time, it is classified as a financial asset measured at amortized cost: the business model for managing the financial asset is to collect contractual cash flows as the goal; The contractual terms of the financial asset provide that the cash flows generated on a specific date are only payments of principal and interest based on the amount of principal not paid. Interest income is recognized using the effective interest rate method for such financial assets, and the gains or losses arising from their derecognition, modification or impairment are included in profit or loss for the current period.

Investments in debt instruments at fair value through other comprehensive income

A financial asset is classified as a financial asset measured at fair value through other comprehensive income if it meets the following conditions: the Group's business model for managing the financial asset is to collect both contractual cash flows and sell financial assets; The contractual terms of the financial asset provide that the cash flows generated on a specific date are only payments of principal and interest based on the amount of principal not paid. Interest income is recognized for such financial assets using the effective interest rate method. Except for interest income, impairment losses and foreign exchange differences, which are recognized as gains or losses for the current period, the remaining fair value changes are recognized as other comprehensive income. When a financial asset is derecognized, the accumulated gains or losses previously included in other comprehensive income are transferred out of other comprehensive income and included in profit or loss for the current period.

Financial assets at fair value through profit or loss

The above-mentioned financial assets measured at amortized cost and financial assets other than those measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss. For such financial assets, fair value is used for subsequent measurement, and all changes in fair value are recognized in profit or loss for the current period.

(c) Classification and measurement of financial liabilities

At the time of initial recognition, the Group's financial liabilities are classified as follows: financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost. For financial liabilities measured at fair value through profit or loss, the relevant transaction expenses are directly recognized in the current profit or loss, and the relevant transaction costs of the financial liabilities measured at amortized cost are included in their initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(8) Financial instruments (Cont'd)

(c) Classification and measurement of financial liabilities (Cont'd)

Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss, including trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at fair value through profit or loss at the time of initial recognition. Trading financial liabilities (including derivatives that are financial liabilities) are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss for the current period, except in relation to hedge accounting. For financial liabilities designated as measured at fair value through profit or loss, subsequent measurement is carried out at fair value, and other fair value changes are included in profit or loss for the current period, except for the fair value changes caused by changes in the Group's own credit risk, which are included in other comprehensive income. If the inclusion of changes in fair value caused by changes in the Group's own credit risk into other comprehensive income would cause or magnify the accounting mismatch in profit or loss, the Group will include all changes in fair value (including the amount affected by changes in its own credit risk) in profit or loss for the current period.

Financial liabilities measured at amortized cost

For such financial liabilities, the effective interest rate method is used, and the subsequent measurement is carried out according to the amortized cost.

(d) Impairment of financial instruments

Methods for determining expected credit losses and accounting treatment methods

The Group conducts impairment treatment and recognizes loss provisions for financial assets measured at amortized cost, debt instrument investments measured at fair value with changes recognized in other comprehensive income, and lease receivables based on expected credit losses.

For receivables that do not contain significant financing components, the Group applies a simplified measurement method to measure the loss provision based on the expected credit loss amount equivalent to the entire duration of the receivable.

For lease receivables and receivables that contain significant financing components, the Group has chosen to apply a simplified measurement approach, measuring the loss provision based on the expected credit loss amount equivalent to the entire duration of the receivable.

Apart from the aforementioned simplified measurement methods for financial assets, the Group assesses at each reporting date whether the credit risk has significantly increased since initial recognition. If the credit risk has not significantly increased since initial recognition, it is classified as Stage 1, and the Group measures the loss allowance at an amount equal to the expected credit losses over the next 12 months, calculating interest income based on the carrying amount and the effective interest rate. If the credit risk has significantly increased since initial recognition but no credit impairment has occurred, it is classified as Stage 2, and the Group measures the loss allowance at an amount equal to the expected credit losses over the entire lifetime, calculating interest income based on the carrying amount and the effective interest rate. If credit impairment occurs after initial recognition, it is classified as Stage 3, and the Group measures the loss allowance at an amount equal to the expected credit losses over the entire lifetime, calculating interest income based on amortized cost and the effective interest rate. For financial instruments that have only low credit risk at the reporting date, the Group assumes that the credit risk has not significantly increased since initial recognition.

# JIANGLING MOTORS CORPORATION, LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

#### (8) Financial instruments (Cont'd)

##### (d) Impairment of financial instruments (Cont'd)

The Group's methodology for measuring expected credit losses on financial instruments reflects factors such as the weighted average amount of unbiased probabilities determined by evaluating a range of possible outcomes, the time value of money, and reasonable and evidence-based information on past events, current conditions and projections of future economic conditions that are available at the balance sheet date without unnecessary additional cost or effort.

The credit risk characteristics of various types of financial assets for which the expected credit losses are calculated separately are significantly different from those of other financial assets in this category. When the information of expected credit losses cannot be assessed at a reasonable cost for a single financial asset, the Group divides the receivables into several portfolios based on the credit risk characteristics, calculates the expected credit losses on the basis of the portfolio, and determines the basis and accrual method of the portfolio as follows:

Banker's Acceptance Portfolio	State-owned banks and joint-stock banks
Commercial Acceptance Bill Portfolio	Customers who purchase using commercial acceptance bills
The domestic general vehicle sales mix	For domestic general automobile procurement customers, the overdue date is used as the starting point of overdue aging
Export general vehicle sales mix	For export general automobile procurement customers, the overdue date is used as the starting point of overdue aging
New energy vehicle sales mix	For new energy vehicle procurement customers, the overdue date is used as the starting point of overdue aging
Component sales mix	For parts procurement customers, the overdue date is used as the starting point of overdue aging
Other receivables combinations	Other receivables of the same nature

When the Group no longer reasonably expects to be able to recover all or part of the contractual cash flows of financial assets, the Group directly writes down the carrying balance of such financial assets.

##### (e) Financial Instrument Offset

If the following conditions are met at the same time, the financial assets and financial liabilities are presented in the balance sheet as net amounts after offsetting each other: they have the legal right to offset the recognized amount, and such legal right is currently enforceable; The plan is to settle on a net basis, or at the same time to realise the financial asset and settle the financial liability.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (8) Financial instruments (Cont'd)

##### (f) Derivative financial instruments

The Group uses derivative financial instruments. Derivative financial instruments are initially measured at the fair value on the date of the signing of the derivative transaction contract, and subsequently measured at their fair value. A derivative financial instrument with a positive fair value is recognized as an asset, and a negative fair value is recognized as a liability.

Except in relation to hedge accounting, gains or losses arising from changes in the fair value of derivatives are directly recognized in profit or loss for the current period.

##### (g) Transfer of financial assets

If the Group has transferred almost all of the risks and rewards in the ownership of financial assets to the transferee, the recognition of such financial assets shall be terminated; Where almost all of the risks and rewards in the ownership of financial assets are retained, the recognition of the financial assets shall not be terminated.

If the Group neither transfers nor retains almost all of the risks and rewards in the ownership of the financial assets, it shall be dealt with in the following cases: if it has relinquished control of the financial assets, the financial assets shall be terminated and the assets and liabilities arising therefrom shall be recognized; If the financial asset is not relinquished, the relevant financial asset shall be recognized according to the extent to which it continues to be involved in the transferred financial asset, and the relevant liabilities shall be recognized accordingly.

##### (9) Inventories

Inventory includes raw materials, work-in-progress, finished products, low-value consumables, materials in transit and consignment materials.

Inventory is initially measured at cost. Inventory costs include procurement costs, processing costs, and other costs. Inventories are issued, and their actual cost is determined using the weighted average method. Low-value consumables are amortized using the one-time resale method.

The inventory system adopts a perpetual inventory system.

At the balance sheet date, inventories are measured at the lower of cost and net realizable value, and if the cost is higher than the net realizable value, a provision for inventory decline is made and included in profit or loss for the current period. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less the estimated costs to be incurred at completion, estimated selling expenses, and related taxes. Inventories related to product lines manufactured and sold in the same region, with the same or similar end use or purpose, and difficult to measure separately from other items, are provided for inventory decline on a consolidated basis.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**3 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.

Long-term equity investments are initially measured at the initial investment cost at the time of acquisition. For a long-term equity investment obtained through a business combination under the same control, the initial investment cost shall be the share of the carrying amount of the owner's equity of the merged party in the consolidated financial statements of the ultimate controlling party on the date of consolidation; The difference between the initial investment cost and the carrying amount of the consolidation consideration shall be adjusted to the capital reserve (if it is insufficient to offset the retained earnings). For long-term equity investments obtained through a business combination not under common control, the initial investment cost shall be the cost of the merger (if the business combination of enterprises not under the same control is realized step by step through multiple transactions, the sum of the carrying amount of the equity investment of the acquiree held before the purchase date and the cost of the new investment on the purchase date shall be the initial investment cost). For long-term equity investments obtained by means other than those formed by business combinations, the initial investment costs shall be determined in accordance with the following methods: if they are obtained by paying cash, the initial investment costs shall be the purchase price actually paid and the expenses, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment; If the issuance of equity securities is obtained, the fair value of the equity securities issued shall be used as the initial investment cost.

The long-term equity investments that the Company is able to control the investee are accounted for using the cost method in the Company's individual financial statements. Control refers to having power over the investee, enjoying variable returns by participating in the relevant activities of the investee, and having the ability to use the power over the investee to influence the amount of returns.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

When the cost method is used, long-term equity investments are valued at the initial investment cost. If the investment is increased or recovered, the cost of long-term equity investment shall be adjusted. The cash dividends or profits declared by the investee are recognized as investment income for the current period.

If the Group has a significant influence on the investee, the long-term equity investment is accounted for by the equity method. Significant influence refers to having the power to participate in decision-making on the financial and operational policies of the investee, but not being able to control or jointly control the formulation of these policies with other parties.

When the equity method is adopted, if the initial investment cost of a long-term equity investment is greater than the fair value share of the investee's identifiable net assets at the time of investment, it shall be included in the initial investment cost of the long-term equity investment; If the initial investment cost of a long-term equity investment is less than the fair value share of the investee's identifiable net assets at the time of investment, the difference shall be included in the profit or loss for the current period, and the cost of the long-term equity investment shall be adjusted at the same time.

When the equity method is adopted, after the long-term equity investment is obtained, the investment profit and loss and other comprehensive income shall be recognized separately and the book value of the long-term equity investment shall be adjusted according to the share of the net profit or loss and other comprehensive income realized by the investee that should be enjoyed or shared. When recognizing the share of the investee's net profit or loss, the investee's net profit shall be recognized after adjustment based on the fair value of the investee's identifiable assets at the time of acquisition of the investment, in accordance with the Group's accounting policies and accounting periods, and offsetting the share attributable to the investor in proportion to the internal transaction gains and losses incurred with associates (except that if the internal transaction loss is an asset impairment loss, it shall be recognized in full), and the net profit of the investee shall be recognized after adjustment, except that the assets invested or sold constitute business. The carrying amount of the long-term equity investment shall be reduced accordingly based on the profits or cash dividends declared by the investee. The Group recognises that the net loss incurred by the investee is limited to the carrying amount of the long-term equity investment and other long-term equity that substantially constitutes a net investment in the investee to be written down to zero, unless the Group has the obligation to bear additional losses. For other changes in shareholders' equity of the investee other than net profit or loss, other comprehensive income and profit distribution, the book value of long-term equity investment shall be adjusted and included in shareholders' equity.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (11) Fixed assets

Fixed assets are recognised only when the economic benefits associated with them are likely to flow into the Group and their costs can be reliably measured. Subsequent expenses related to fixed assets that meet the recognition conditions shall be included in the cost of fixed assets, and the book value of the replaced part shall be derecognized; Otherwise, it will be included in the current profit or loss or the cost of related assets according to the beneficiary object when it occurs.

Fixed assets are initially measured at cost. The cost of acquiring a fixed asset includes the purchase price, relevant taxes, and other expenses directly attributable to the asset incurred before the fixed asset reaches its intended useable state.

The depreciation of fixed assets is calculated using the average life method, and the useful life, estimated net residual value rate and annual depreciation rate of various types 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% to 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.

##### (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 3(15)).

The criteria for transferring construction in progress to fixed assets when they reach their intended usable state are as follows:

Buildings	The earlier of completion acceptance or actual commencement of use.
Machinery and equipment	The earlier of completion of installation and acceptance or actual commencement of use.
Vehicles	The earlier of completion of installation and acceptance or actual commencement of use.
Moulds	The earlier of completion of installation and acceptance or actual commencement of use.
Electronic and other equipment	The earlier of completion of installation and acceptance or actual commencement of use.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (13) Borrowing costs

The borrowing costs that can be directly attributable to the acquisition, construction or production of assets that meet the conditions for capitalization shall be capitalized, and other borrowing costs shall be included in the profit or loss for the current period.

Borrowing costs are capitalized when capital expenditures and borrowing costs have been incurred and the acquisition, construction or production activities necessary to bring the asset to its intended usable or marketable condition have commenced.

When the acquisition, construction or production of assets eligible for capitalization reaches the intended usable or saleable state, the borrowing costs shall cease to be capitalized. Borrowing costs incurred thereafter are included in profit or loss for the current period.

During the capitalization period, the amount of interest capitalization in each accounting period shall be determined according to the following method: the amount of special borrowings shall be determined by deducting the interest income or investment income of temporary deposits actually incurred in the current period; The general borrowings occupied shall be calculated and determined on the basis of the weighted average of the accumulated asset expenditures exceeding the portion of special borrowings multiplied by the weighted average real interest rate of the general borrowings occupied.

In the process of acquisition, construction or production of assets eligible for capitalization, if there is an abnormal interruption other than the procedures necessary to reach the intended usable or saleable state, and the interruption period exceeds 3 consecutive months, the capitalization of borrowing costs shall be suspended. Borrowing costs incurred during the interruption period are recognized as expenses and are included in profit or loss for the current period until the acquisition or construction of assets or production activities resume.

##### (14) Intangible assets

###### (a) Useful life of intangible assets

Intangible assets are amortized using the straight-line method over their useful lives, and their useful lives are as follows:

	Estimated useful lives	Basis for determination
Land use rights	50 years	The term of the land use right
Software Usage Fees	5 years	Estimated period of use
Non-patented technology	5-7 years	Estimated period of use combined with the product life span

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(14) Intangible assets (Cont'd)

(b) Research and development

The Group's R&D expenditure mainly includes the materials used by the Group in carrying out R&D activities, the remuneration of employees in the R&D department, the depreciation and amortization of assets such as equipment and software used in R&D, R&D design expenses and R&D testing.

The expenses in the planned investigation, evaluation and selection stages for the study of the production process of automobile-related products are the expenses in the research stage and are included in the profit or loss for the current period when incurred; Before large-scale production, the expenditure in the design and testing stages related to the final application of the production process of automobile-related products is the expenditure in the development stage, and if the following conditions are met, it shall be capitalized:

- The development of the production process of automobile-related products has been fully demonstrated by the technical team;
- The management has the intention to complete the development, use or sale of the production process of automotive-related products;
- The research and analysis of the preliminary market research shows that the products produced by the production process of automobile-related products have the ability to be marketed;
- Sufficient technical and financial support for the development of production processes for automotive-related products and subsequent large-scale production; and
- Expenditures on the development of production processes for automotive-related products can be reliably aggregated.

Expenses in the development stage that do not meet the above conditions shall be included in the profit or loss for the current period when incurred. Development expenditures that have been recognized in profit or loss in prior periods are not rerecognized as assets in subsequent periods. Expenditures incurred in the development phase that have been capitalized are shown on the balance sheet as development expenditures and are converted into intangible assets from the date on which the project reaches its intended use.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(15) Impairment of assets

The impairment of assets other than inventories, deferred income tax and financial assets shall be determined according to the following methods: whether there are signs of possible impairment of assets at the balance sheet date, and if there are signs of impairment, the Group will estimate the recoverable amount and conduct impairment tests; Impairment tests shall be carried out at least at the end of each year for goodwill formed as a result of business combinations, intangible assets with indefinite useful lives and intangible assets that have not yet reached a usable state, regardless of whether there is any indication of impairment.

The recoverable amount is determined based on the higher of the fair value of the asset less disposal costs and the present value of the asset's projected future cash flows. The Group estimates its recoverable amount on a single asset basis; Where it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group shall be determined on the basis of the asset group to which the asset belongs. The determination of the asset group is based on whether the main cash inflow generated by the asset group is independent of other assets or the cash inflow of the asset group.

When the recoverable amount of an asset or asset group is lower than its carrying amount, the Group writes down its carrying amount to the recoverable amount, and the written down amount is included in the profit or loss for the current period, and the corresponding asset impairment provision is made.

For the impairment test of goodwill, the carrying amount of goodwill is allocated to the relevant asset group or combination of asset groups in a reasonable manner from the date of purchase. The relevant asset group or combination of asset groups is the asset group or combination of asset groups that can benefit from the synergies of the business combination, and is not larger than the operating segment determined by the Group.

Compare the carrying amount and recoverable amount of the asset group or asset group combination containing goodwill, if the recoverable amount is lower than the book value, the impairment loss amount shall first be offset against the carrying amount of the goodwill allocated to the asset group or asset group combination, and then the carrying amount of other assets shall be offset proportionally according to the proportion of the carrying amount of other assets in the asset group or asset group portfolio except goodwill.

Once the above-mentioned asset impairment loss is recognized, it will not be reversed in subsequent accounting periods.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(16) Employee compensation

Employee remuneration refers to various forms of remuneration or compensation given by the Group for the services provided by employees or for the termination of employment relations, including short-term remuneration, post-employment benefits and severance benefits.

(a) Short-term compensation

Short-term remuneration includes wages, bonuses, allowances and subsidies, employee welfare expenses, medical insurance premiums, work-related injury insurance premiums, housing provident fund, trade union and education funds, short-term paid absences, etc. During the accounting period in which employees provide services, the Group recognises the actual short-term remuneration as a liability and includes it in the profit or loss for the current period or the cost of related assets. Among them, non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. A defined deposit and withdrawal plan is a post-employment benefit plan in which the Group is no longer obligated to make further payments after depositing a fixed fee into an independent fund; A defined benefit plan is a post-employment benefit plan in addition to a defined contribution plan. During the reporting period, the basic endowment insurance and unemployment insurance paid for employees were all part of the set deposit plan. Supplemental 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.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (16) Employee compensation (Cont'd)

###### (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.

###### Internal retirement benefits

The Group provides internal retirement benefits to employees who have received internal retirement arrangements. Internal retirement benefits refer to the wages paid and social insurance premiums paid to employees who have not reached the retirement age prescribed by the state and who have voluntarily quit their jobs with the approval of the Group's management. The Group pays internal retirement benefits to employees from the date of commencement of the internal retirement arrangement until the employees reach the normal retirement age. For the internal retirement benefits, the Group will account for the retirement benefits by comparison, and when the conditions for the recognition of the retirement benefits are met, the wages and social insurance premiums to be paid by the employees during the period from the date of cessation of the employee's services to the normal retirement date will be recognized as liabilities and included in the profit or loss for the current period in a lump sum. Changes in actuarial assumptions for retirement benefits and differences caused by adjustments to benefit standards are recognized in profit or loss for the current period when they occur.

Severance benefits expected to be paid within one year from the balance sheet date are shown as remuneration payable to employees.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

##### (17) 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 other current liabilities.

##### (18) 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.

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.

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

The Group sells automobiles and automobile parts 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.

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 3(17)).

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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(18) Revenue (Cont'd)

(b) Rendering of services

The Group provides customers with automobile transportation, 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 is recognised on the basis of ECL (Note 3(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.

(19) Government grants

Government subsidies are recognized when the conditions attached to them can be met and can be received. If the government subsidy is a monetary asset, it shall be measured according to the amount received or receivable. If the government subsidy is a non-monetary asset, it shall be measured at fair value; If the fair value cannot be reliably obtained, it shall be measured according to the nominal amount.

If the government documents stipulate that it is used for the acquisition, construction or other formation of long-term assets, it shall be regarded as a government subsidy related to the assets; If the government documents are not clear, the judgment shall be made on the basis of the basic conditions that must be met to obtain the subsidy, and the basic condition of the formation of long-term assets through acquisition, construction or other means shall be regarded as the government subsidy related to the assets, and the other shall be regarded as the government subsidy related to the income.

If the government subsidy related to the income is used to compensate for the relevant costs, expenses or losses in subsequent periods, it shall be recognized as deferred income, and shall be included in the profit or loss for the current period or offset the relevant costs in the period in which the relevant costs, expenses or losses are recognized; If it is used to compensate for the relevant costs, expenses or losses that have been incurred, it shall be directly included in the profit or loss for the current period or offset the relevant costs.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(19) Government grants (Cont'd)

Asset-related government subsidies to offset the carrying amount of the underlying assets; or recognized as deferred income, which shall be included in profit or loss in instalments in a reasonable and systematic manner during the useful life of the relevant asset (except that the government subsidy measured according to the nominal amount shall be directly included in the profit or loss for the current period), and if the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the balance of the relevant deferred income that has not yet been distributed shall be transferred to the profit or loss of the current period of asset disposal.

If the finance department allocates the subsidized funds to the lending bank, and the lending bank provides loans to the Group at a preferential policy interest rate, the actual amount of the borrowed money received shall be used as the recorded value of the borrowing, and the relevant borrowing costs shall be calculated according to the principal of the loan and the preferential interest rate of the policy.

(20) Deferred income tax

The Group adopts the balance sheet obligation method to provide deferred income tax based on the temporary differences between the carrying amount of assets and liabilities at the balance sheet date and the tax base, as well as the difference between the carrying amount and the tax basis of items that are not recognized as assets and liabilities but whose tax basis can be determined in accordance with the provisions of the tax law.

Deferred tax liabilities are recognized for all kinds of taxable temporary differences, unless:

- A taxable temporary difference arises in the following transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities arising in a single transaction that is not a business combination, the transaction occurs that does not affect neither the accounting profit nor the taxable income or deductible loss, and the assets and liabilities initially recognized do not result in the creation of an equal amount of taxable temporary differences and deductible temporary differences;
- For taxable temporary differences related to investments in subsidiaries and associates, the timing of the reversal of the temporary difference is controllable and the temporary difference is likely not to be reversed in the foreseeable future.

For deductible temporary differences, deductible losses and tax credits that can be carried forward to future years, the Group recognises deferred tax assets to the extent that it is likely to obtain future taxable income to offset the deductible temporary differences, deductible losses and tax credits, unless:

- A deductible temporary difference arises in a single transaction that is not a business combination, the transaction does not affect the accounting profit or taxable income or deductible loss at the time of the transaction, and the assets and liabilities initially recognized do not result in the creation of an equal amount of taxable temporary difference and a deductible temporary difference;
- For deductible temporary differences related to investments in subsidiaries and associates, the temporary differences are likely to be reversed in the foreseeable future and taxable income to be used to offset the temporary differences is likely to be obtained in the future.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(20) Deferred income tax (Cont'd)

The Group's deferred tax assets and deferred tax liabilities are measured at the applicable tax rate during the period in which the assets are expected to be recovered or the liabilities are liquidated in accordance with the provisions of the tax law, and reflect the income tax impact of the expected recovery of assets or the settlement of liabilities at the balance sheet date.

At the balance sheet date, the Group reviews the carrying amount of deferred tax assets and writes down the carrying amount of deferred tax assets if it is likely that sufficient taxable income will not be available in future periods to offset the benefits of deferred tax assets. At the balance sheet date, the Group re-evaluates the unrecognised deferred tax assets to the extent that it is likely to obtain sufficient taxable income to be able to reverse all or part of the deferred tax assets.

Deferred tax assets and deferred tax liabilities are presented on a net basis when the following conditions are met: they have the legal right to settle current income tax assets and current income tax liabilities on a net basis; Deferred tax assets and deferred tax liabilities are related to the income tax levied by the same tax collection and administration department on the same taxable entity.

(21) Leases

At the commencement date of the contract, the Group assesses whether the contract is a lease or a included lease and if a party to the contract relinquishes the right to control the use of one or more identified assets for a certain period of time in exchange for consideration, the contract is a lease or a included lease.

(a) As the lessee

In addition to short-term leases and leases of low-value assets, the Group recognises right-of-use assets and lease liabilities for leases.

If the contract includes both lease and non-lease parts, the Group shall apportion the contract consideration according to the relative proportion of the individual prices of each part.

At the commencement date of the lease term, the Group recognises its right to use the leased asset during the lease term as a right-of-use asset, which is initially measured at cost. The cost of a right-of-use asset includes: the initial measurement amount of the lease liability; the amount of the lease payment paid on or before the start date of the lease term (less the amount in relation to the lease incentive received); Initial direct expenses incurred by the lessee; The costs that the lessee expects to incur in order to dismantle and remove the leased asset, restore the premises on which the leased asset is located, or restore the leased asset to the condition agreed in the terms of the lease. If the Group remeasures lease liabilities due to changes in lease payments, the carrying amount of right-of-use assets will be adjusted accordingly. Subsequently, the Group adopted the average life method to provide depreciation for right-of-use assets. If it can be reasonably determined that the ownership of the leased assets will be acquired at the end of the lease term, the Group shall accrue depreciation during the remaining useful life of the leased assets. If it is not reasonably certain that the ownership of the leased assets can be obtained at the end of the lease term, the Group shall accrue depreciation during the period between the lease term and the remaining useful life of the leased assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(21) Leases (Cont'd)

At the commencement date of the lease term, the Group recognises the present value of the outstanding lease payments as lease liabilities, excluding short-term leases and leases of low-value assets. Lease payments include fixed payments and substantial fixed payments net of lease incentives, variable lease payments depending on the index or ratio, expected payments based on the residual value of the guarantee, and the exercise price of the purchase option or the exercise of the termination option, provided that the Group reasonably determines that the option will be exercised or the lease term reflects that the Group will exercise the lease termination option. Variable lease payments that are not included in the measurement of lease liabilities are recognized in profit or loss for the current period when actually incurred, unless otherwise specified in the cost of the relevant assets. The Group remeasures lease liabilities based on the present value of the changed lease payments when there is a change in the amount of the real fixed payment, a change in the estimated amount payable for the residual value of the guarantee, a change in the index or ratio used to determine the amount of the lease payment, and a change in the evaluation result or actual exercise of the option to purchase, renew or terminate the option.

The Group recognises a lease with a lease term of not more than 12 months and without a purchase option as a short-term lease on the commencement date of the lease term; When a single leased asset is a brand new asset, a lease with a lower value is recognized as a lease of a low-value asset. The Group chooses not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The cost of the relevant asset or current profit or loss is recognized on a straight-line basis for each period of the lease term.

(b) As the lessor

Leases that transfer substantially all of the risks and rewards associated with ownership of the leased assets at the lease commencement date are finance leases, and all other leases are operating leases.

The rental income from operating leases is recognized as profit or loss for the current period on a straight-line basis for each period of the lease term, and the variable lease payments that are not included in the lease receipts are recognized in the profit or loss for the current period when actually incurred. Initial direct expenses are capitalised and amortized over the lease term on the same basis as rental income recognition, and are included in profit or loss for the current period.

On the commencement date of the lease term, the Group recognized the financial lease receivables for the financial lease and terminated the recognition of the financial lease assets. When the Group initially measures the financial lease receivables, the net lease investment is used as the recorded value of the financial lease receivables. Net lease investment is the sum of the unsecured residual value and the present value of lease receipts not yet received at the start date of the lease term discounted at the interest rate embedded in the lease, including initial direct costs. The Group calculates and recognises interest income for each period of the lease term at a fixed periodic interest rate. Variable lease payments made by the Group that are not included in the measurement of net lease investments are recognized in profit or loss for the current period when they are actually incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(22) Safety production fee

The safety production fee withdrawn in accordance with the regulations shall be included in the cost of the relevant product or the current profit or loss, and shall be included in the special reserve; When using, distinguish whether fixed assets are formed and deal with them separately: if it is an expense expenditure, it will directly offset the special reserves; If fixed assets are formed, the expenses incurred shall be collected, and the fixed assets shall be recognized when they reach the intended usable state, and the equivalent special reserves shall be written off and the equivalent accumulated depreciation shall be recognized.

(23) Fair value measurement

Assets and liabilities measured or disclosed at fair value in the financial statements are determined based on the lowest level of inputs that are material to the fair value measurement as a whole: Level 1 inputs, which are unadjusted quotes in active markets for the same assets or liabilities that can be obtained at the measurement date; Level 2 inputs, which are directly or indirectly observable inputs for related assets or liabilities other than Level 1 inputs; The third level of input value, the unobservable input value of the relevant asset or liability.

At each balance sheet date, the Group re-evaluates the assets and liabilities recognized in the financial statements at fair value on an ongoing basis to determine whether there is a transition between the levels of fair value measurement.

(24) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts and disclosures of income, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the balance sheet date. The results of these uncertainties in assumptions and estimates may result in significant adjustments to the carrying amounts of the assets or liabilities affected in the future.

(a) Critical judgements in applying the accounting policies

In applying the Group's accounting policies, management has made the following judgments that have a material impact on the amounts recognized in the financial statements:

**Business model**

The classification of financial assets at the time of initial recognition depends on the Group's business model for managing financial assets, and in determining the business model, the Group considers the manner in which the performance of financial assets is evaluated and reported to key management personnel, the risks affecting the performance of financial assets and how they are managed, and the manner in which relevant business managers are remunerated. In assessing whether the objective is to collect contractual cash flows, the Group needs to analyze and determine the reason, timing, frequency and value of the sale of financial assets before the maturity date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**(24) Critical accounting estimates and judgements (Cont'd)**

**Characteristics of contractual cash flows**

The classification of financial assets at the time of initial recognition depends on the contractual cash flow characteristics of the financial assets, and it is necessary to determine whether the contractual cash flows are only the payment of principal and interest based on the outstanding principal, whether there is a significant difference compared with the benchmark cash flow when the time value of money is included in the assessment of the time value of money, and whether the fair value of the prepayment feature is very small in the case of financial assets containing prepayment features.

**Judgment of a significant increase in credit risk and credit impairment that has occurred**

In distinguishing the different stages of financial instruments, the Group's judgment on the significant increase in credit risk and the credit impairment that has occurred is as follows:

The Group's main criteria for judging a significant increase in credit risk are that the number of overdue days exceeds 30 days, or there is a significant change in one or more of the following indicators: the debtor's business environment, internal and external credit ratings, significant changes in actual or expected operating results, and a significant decline in the value of collateral or the credit rating of the guarantor that will affect the probability of default.

The Group's main criteria for judging that credit impairment has occurred are that the number of overdue days exceeds 90 days (i.e., default has occurred), or one or more of the following conditions are met: the debtor has significant financial difficulties, undergoes other debt restructuring or is likely to go bankrupt.

**(b) Uncertainty in the estimate**

The following are key assumptions about the future at the balance sheet date and other key sources of uncertainty in the estimates that may result in significant adjustments to the carrying amounts of assets and liabilities in future periods.

**Impairment of financial instruments**

The Group uses an expected credit loss model to assess the impairment of financial instruments, and the application of the expected credit loss model requires significant judgment and estimation, taking into account all reasonable and substantiated information, including forward-looking information. In making these judgments and estimates, the Group inferred the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. Different estimates may affect the provision for impairment, and the provision for impairment may not be equal to the actual amount of impairment losses in the future.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

**(24) Critical accounting estimates and judgements (Cont'd)**

**Impairment of non-current assets other than financial assets (other than goodwill)**

The Group determines whether there is any indication of possible impairment of non-current assets other than financial assets at the balance sheet date. For intangible assets with an indefinite useful life, in addition to the impairment test conducted annually, when there are signs of impairment, the impairment test is also conducted. Other non-current assets, other than financial assets, are tested for impairment when there are indications that their book value is not recoverable. Impairment occurs when the carrying amount of an asset or group of assets is higher than the recoverable amount, i.e., the higher of the fair value less disposal costs and the present value of the projected future cash flows. The fair value, net of disposal costs, is determined by reference to the agreed sale price or observable market price of a similar asset in an arm's length transaction, less incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management must estimate the projected future cash flows of the asset or group of assets and select an appropriate discount rate to determine the present value of future cash flows.

**Development expenditures**

When determining the amount to be capitalized, management must make assumptions regarding the estimated future cash flows of the asset, the applicable discount rate, and the expected benefit period.

**Deferred tax assets**

To the extent that there is likely to be sufficient taxable income to cover the deductible loss, deferred tax assets should be recognised for all unutilised deductible losses. This requires management to use a great deal of judgment to estimate the timing and amount of taxable income to be obtained in the future, combined with a tax planning strategy, to determine the amount of deferred tax assets to be recognized.

**Warranty**

For a portfolio of contracts with similar characteristics, the Group makes a reasonable estimate of the warranty rate based on historical warranty data, current warranty situation, and all relevant information such as product improvement and market changes. The estimated warranty rates may not be equal to the actual future warranty rates, and the Group has re-evaluated the warranty rates at least at each balance sheet date and determined the projected liabilities based on the re-assessed warranty rates.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(25) Changes in accounting policies and accounting estimates

(a) Changes in accounting policies

Presentation of financial statements

According to the *Interpretation No. 18 of Accounting Standards for Business Enterprises*, the Group reclassified the warranty expense from "selling expenses" to "operating costs", and adjusted the comparative data of the financial statements retrospectively.

The main effects of retrospective adjustments arising from the above changes in accounting policies on the financial statements are as follows:

The Group

2024	Before the change in accounting policies Amount incurred during the year	Changes in <u>Accounting Policies</u>	After the change in accounting policies Amount incurred during the year
Cost of sales	32,716,288,196	235,456,948	32,951,745,144
Selling expenses	1,294,405,541	(235,456,948)	1,058,948,593

2023	Before the change in accounting policies Amount incurred during the year	Changes in <u>Accounting Policies</u>	After the change in accounting policies Amount incurred during the year
Cost of sales	28,065,528,223	330,658,844	28,396,187,067
Selling expenses	1,466,692,447	(330,658,844)	1,136,033,603

The Company

2024	Before the change in accounting policies Amount incurred during the year	Changes in <u>Accounting Policies</u>	After the change in accounting policies Amount incurred during the year
Cost of sales	32,447,254,140	18,991,733	32,466,245,873
Selling expenses	128,660,420	(18,991,733)	109,668,687

2023	Before the change in accounting policies Amount incurred during the year	Changes in <u>Accounting Policies</u>	After the change in accounting policies Amount incurred during the year
Cost of Sales	27,518,938,281	15,480,904	27,534,419,185
Selling expenses	144,390,059	(15,480,904)	128,909,155



## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 4 Taxation

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

Category	Taxation basis	Tax rate
Value-added tax ("VAT")	The difference between the sales amount and the output tax calculated at the applicable tax rate, after deducting the input tax amount for which the credit is granted	13%, 9% and 6%
Consumption tax	Taxable sales amount	9%, 5% and 3%
City maintenance and construction tax	The payment amount of VAT and consumption tax	7% and 5%
Enterprise income tax	Taxable income	25% and 15%

- (2) Tax preference

According to the relevant regulations of the national high-tech certification and related preferential tax policies, the company has passed the certification of high-tech enterprises in 2024 and is valid for three years. The corporate income tax rate applicable to the Company in for the year of 2024 is 15% (2023: 15%).

In 2024, 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% (2023: 25%).

Pursuant to the *Announcement on Clarifying the Additional Value-added Tax Credit Policy for the Advanced Manufacturing Enterprises* (Cai Shui [2023] No. 43) jointly issued by the Ministry of Finance and the State Taxation Administration, the Company, as an advanced manufacturing enterprise, from January 1, 2023 to December 31, 2027, the Company will add 5% of the deductible input tax for the current period to offset the VAT payable.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**5 Notes to the consolidated financial statements**

(1) Cash at bank and on hand

	31 December 2024	31 December 2023
Cash at bank	11,067,571,593	10,653,646,811
Cash at finance company (a) (Note 8(6))	1,407,604,416	1,092,871,804
Other cash and cash equivalents (b)	18,692,687	20,854,424
Interest receivable	52,427,194	63,187,636
	<u>12,546,295,890</u>	<u>11,830,560,675</u>

- (a) As at 31 December 2024, the group's bank deposit with Jiangling Automobile Group Finance Co, Ltd. was RMB1,407,604,416. The Group's bank deposits placed with Jiangling Motor Group Finance Company Limited("JMCF") bear interest at the bank's annual interest rate of 1.35%-2.25% (31 December 2023: 0.455%-2.25%) on RMB deposits 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.

- (b) Other cash and cash equivalents of RMB18,692,687 (December 31 2023: 20,854,424) were the frozen funds of the Group's litigation.

(2) Financial assets held for trading

	31 December 2024	31 December 2023
Structural deposits	<u>-</u>	<u>200,604,877</u>

(3) Derivative financial assets and derivative financial liabilities

	31 December 2024	31 December 2023
Derivative financial assets - Forward exchange contracts	<u>12,612,380</u>	<u>-</u>
Derivative financial liabilities - Forward exchange contracts	<u>-</u>	<u>459,306</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(4) Notes receivable

	31 December 2024	31 December 2023
Trade acceptance notes	226,932	14,638,901
Less: Provision for bad debts	<u>(67)</u>	<u>(17,564)</u>
	<u>226,865</u>	<u>14,621,337</u>

(a) As at 31 December 2024, there were no notes receivable pledged.

(b) 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.

The provision for bad debts of notes receivable is analysed by category as follows:

	31 December 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the grouping basis (i)	226,932	100%	67	0.03%

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the grouping basis (i)	14,638,901	100%	17,564	0.12%

(i) Notes receivable for which the provision for bad debts is provided on the grouping basis are analysed as follows:

Grouping - Trade acceptance notes:

As at 31 December 2024, the Group's provision for bad debts for trade acceptance notes of the grouping was measured based on the lifetime ECL, and the related amount was RMB67 (31 December 2023: RMB17,564), of which RMB17,497 was reversed in 2024 (2023: reversal of RMB300,857) .

(ii) The provision for bad debts recovered or reversed during the year amounted to RMB17,497 due to the recovery of notes receivable for which bad debts had been accrued during the period

(iii) There was no provision for bad debts actually written off during the year.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(5) Accounts receivable

	31 December 2024	31 December 2023
Accounts receivable	4,299,293,681	4,529,566,682
Less: Provision for bad debts	<u>(118,285,447)</u>	<u>(127,740,660)</u>
	<u>4,181,008,234</u>	<u>4,401,826,022</u>

(a) The aging of accounts receivable was analysed as follows:

	31 December 2024	31 December 2023
Within 1 year	4,168,893,653	4,354,838,862
1 to 2 years	1,812,248	28,667,064
Over 2 years	<u>128,587,780</u>	<u>146,060,756</u>
	<u>4,299,293,681</u>	<u>4,529,566,682</u>

As at 31 December 2024, accounts receivable with individually significant amounts and aged over three years were analyzed as follows:

	Balance	Reasons and risk of collection
Company 1	66,796,993	As the debtor had difficulties in operation and was involved in several lawsuits, the Group considered that the receivable was difficult to be recovered and therefore a provision for bad debts had been made in full.
Company 2	37,924,214	The Group considered that the new energy subsidy amount was difficult to be recovered from relevant subsidy distribution departments over a long period of time and therefore a provision for bad debts had been made in full.
Company 3	15,842,400	Due to the cash flow arrangement of the debtor, the accounts receivable had a long aging, but the debtor has a good historical collection situation and still has normal business dealings with the Group, and the Group considered that the receivables were likely to be recovered, so a provision for bad debts was made in the grouping - sales of general automobiles.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(5) Accounts receivable (Cont'd)

- (b) As at 31 December 2024, the top five accounts receivable ranked by the balances of the debtors are analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
The total accounts receivable of the top five balances	<u>3,260,186,631</u>	<u>73,454,052</u>	<u>75.83%</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.

The provision for bad debts of accounts receivable was analysed by category as follows:

	31 December 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	104,721,207	2%	104,721,207	100.00%
Provision for bad debts on the grouping basis (ii)	4,194,572,474	98%	13,564,240	0.32%
	<u>4,299,293,681</u>	<u>100%</u>	<u>118,285,447</u>	<u>2.75%</u>
	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	110,154,214	2%	110,154,214	100.00%
Provision for bad debts on the grouping basis (ii)	4,419,412,468	98%	17,586,446	0.40%
	<u>4,529,566,682</u>	<u>100%</u>	<u>127,740,660</u>	<u>2.82%</u>

- (i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	37,924,214	100%	37,924,214
Receivables for automobiles	66,796,993	100%	66,796,993
	<u>104,721,207</u>		<u>104,721,207</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**5 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 the provision for bad debts is provided on the individual basis are analysed follows (Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
New energy subsidies receivable	37,924,214	100%	37,924,214
Receivables for automobiles	<u>72,230,000</u>	100%	<u>72,230,000</u>
	<u>110,154,214</u>		<u>110,154,214</u>

As at 31 December 2024, The Group assessed the expected credit losses on the related accounts receivable, the Group considered the receivables cannot be collected, therefore, full provision was made for those receivables. The related amount was RMB104,721,207(31 December 2023: RMB110,154,214), of which RMB5,433,007 (2023: Nil) was reversed in profit or loss for the current period.

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

Grouping - Domestic sales of general automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	812,797,881	0.03%	241,763
Overdue for 1 to 30 days	109,449,671	0.55%	600,056
Overdue for 31 to 60 days	5,621,317	0.99%	55,441
Overdue for 61 to 90 days	4,434,000	2.50%	110,948
Overdue over 90 days	<u>25,539,010</u>	9.00%	<u>2,298,511</u>
	<u>957,841,879</u>		<u>3,306,719</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**5 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 - Domestic sales of general automobiles:

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	1,330,216,018	0.12%	1,651,582
Overdue for 1 to 30 days	41,413,325	0.18%	74,476
Overdue for 31 to 60 days	24,216,867	2.28%	553,239
Overdue for 61 to 90 days	32,435,370	3.34%	1,083,923
Overdue over 90 days	76,187,716	5.18%	3,948,751
	<u>1,504,469,296</u>		<u>7,311,971</u>

Grouping - Export sales of general automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	<u>2,933,133,292</u>	0.20%	<u>5,866,267</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	<u>2,647,787,903</u>	0.20%	<u>5,295,576</u>

Grouping - Sales of new energy automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	<u>4,123,260</u>	80.00%	<u>3,298,608</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	<u>5,123,260</u>	80.00%	<u>4,098,608</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**5 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 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	270,418,629	0.30%	811,256
Overdue for 1 to 30 days	10,276,006	0.30%	30,828
Overdue for 31 to 60 days	9,423,011	0.50%	47,115
Overdue for 61 to 90 days	6,008,481	0.60%	36,051
Overdue over 90 days	3,347,916	5.00%	167,396
	<u>299,474,043</u>		<u>1,092,646</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	242,349,099	0.30%	727,047
Overdue for 1 to 30 days	16,195,486	0.30%	48,586
Overdue for 31 to 60 days	728,660	0.50%	3,643
Overdue for 61 to 90 days	839,164	0.60%	5,035
Overdue over 90 days	1,919,600	5.00%	95,980
	<u>262,032,009</u>		<u>880,291</u>

(iii) The reversal amount of provision for bad debts for the year was RMB9,455,213.

(d) There was no provision for bad debts actually written off during the year.

(e) As at 31 December 2024 and 31 December 2023, there were no accounts receivable pledged.



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(6) Financing receivables

	31 December 2024	31 December 2023
Bank acceptance notes	<u>302,065,502</u>	<u>123,170,062</u>

The Group considers the need for its daily fund management to discount and endorse a portion of bank acceptance bills, and the business model for managing these bills aims both at receiving contractual cash flows and at selling them; therefore, all bank acceptance bills of the Group are classified as financial assets measured at fair value with changes recognized in other comprehensive income. In 2024, the Group endorsed and discounted bank acceptance notes, and almost all risks and rewards of ownership have been transferred to other parties, accordingly, the carrying amounts of bank acceptance notes that were derecognised by the Group were RMB1,098,017,761 and RMB2,029,290,040 (2023: RMB1,040,525,217 and RMB2,435,317,198) respectively, and the related losses on discount of RMB110,250 (2023: RMB9,867,768) were included in investment income (Note 5(50)).

As at 31 December 2024 and 31 December 2023, as the credit risk characteristics of these bank acceptance notes were similar, no provision for impairment was made individually. In addition, the Group considered that its bank acceptance notes were not exposed to significant credit risk and the probability of default of these banks was very low.

As at 31 December 2024 and 31 December 2023, the Group had no pledged bank acceptance notes receivable presented in financing receivables.

As at 31 December 2024, the Group's bank acceptance notes had been endorsed or discounted but not yet matured were RMB1,738,544,375, which had been derecognised.

There was no significant write-offs of financing receivables for the Group in 2024 (2023: Nil).

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(7) Advances to suppliers

(a) The aging of advances to suppliers is analysed as follows:

	31 December 2024		31 December 2023	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	90,702,706	96%	204,358,759	100%
Over 1 year	4,046,466	4%	-	-
	<u>94,749,172</u>	<u>100%</u>	<u>204,358,759</u>	<u>100%</u>

(b) As at 31 December 2024, the top five advances to suppliers by the balances of the debtors are analysed as follows:

	Amount	% of total balance
Total prepayments of the top five balances	<u>94,742,739</u>	<u>99.99%</u>

(8) Other receivables

	31 December 2024	31 December 2023
Gas and electricity bills	18,531,901	12,769,141
Guarantees	7,604,290	6,974,616
Platform utilization fee	5,525,739	4,757,270
Bills for R&D projects	4,723,933	4,022,471
Import working capital	3,900,523	7,000,000
Receivables from refund of social insurance	1,297,367	23,958,000
Others	12,690,526	16,241,334
	<u>54,274,279</u>	<u>75,722,832</u>
Less: Provision for bad debts	<u>(261,039)</u>	<u>(402,984)</u>
	<u>54,013,240</u>	<u>75,319,848</u>

The Group did not have any fund deposited at other parties under the centralised fund management and represented in other receivables.

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

	31 December 2024	31 December 2023
Within 1 year	49,055,878	67,035,160
Over 1 year	5,218,401	8,687,672
	<u>54,274,279</u>	<u>75,722,832</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(8) Other receivables (Cont'd)

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

The provision for bad debts of other receivables is analysed by category as follows:

	31 December 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis	1,297,367	2%	-	-
Provision for bad debts on the grouping basis	52,976,912	98%	261,039	0.49%
	<u>54,274,279</u>	<u>100%</u>	<u>261,039</u>	<u>0.48%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis	23,958,000	32%	-	-
Provision for bad debts on the grouping basis	51,764,832	68%	402,984	0.78%
	<u>75,722,832</u>	<u>100%</u>	<u>402,984</u>	<u>0.53%</u>

	Stage 1				
	12-month ECL (grouping)		12-month ECL (individual)		Total
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts
31 December 2023	51,764,832	402,984	23,958,000	-	402,984
Decrease in the current year	-	-	(22,660,633)	-	-
Increase in the current year	1,212,080	-	-	-	-
Provision for bad debts accrued during the year	-	(141,945)	-	-	(141,945)
31 December 2024	<u>52,976,912</u>	<u>261,039</u>	<u>1,297,367</u>	<u>-</u>	<u>261,039</u>

As at 31 December 2024 and 31 December 2023, the Group had no other receivables at Stage 2 and Stage 3. The analysis of other receivables at Stage 1 was stated below:

(i) As at 31 December 2024, the Group's other receivables with provision for bad debts were analysed below:

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(8) Other receivables (Cont'd)

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

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the individual basis:				
Receivables from refund of social insurance i)	1,297,367	-	-	ECL
Provision on the grouping basis:				
Gas and electricity bills	18,531,901	0.49%	91,314	ECL
Guarantees	7,604,290	0.49%	37,469	ECL
Platform utilization fee	5,525,739	0.49%	27,228	ECL
Bills for R&D projects	4,723,933	0.49%	23,277	ECL
Import working capital	3,900,523	0.49%	19,219	ECL
Others	12,690,526	0.49%	62,532	ECL
	<u>54,274,279</u>		<u>261,039</u>	

i)The Group assessed the receivables from refund of social insurance individually and based on the judgment of credit risk, the receivables were not subject to significant credit risk and were not overdue and impaired.

(i) As at 31 December 2023, the Group's other receivables with provision for bad debts on the grouping basis are analysed as follows:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the individual basis:				
Receivables from refund of social insurance i)	23,958,000	-	-	ECL
Provision on the grouping basis:				
Gas bills	12,769,141	0.78%	99,406	ECL
Import working capital	7,000,000	0.78%	54,494	ECL
Guarantees	6,974,616	0.78%	54,297	ECL
Platform utilization fee	4,757,270	0.78%	37,035	ECL
Bills for R&D projects	4,022,471	0.78%	31,375	ECL
Others	16,241,334	0.78%	126,377	ECL
	<u>75,722,832</u>		<u>402,984</u>	

(c) In 2024, the Group reversed the provision for bad debts amounting to RMB141,945. The reversal in the current period is due to the actual receipt of other receivables corresponding to the provision for bad debts in the previous period.

(d) There was no provision for bad debts actually written off during the year.

(e) As at 31 December 2024, the top five other receivables by the balances of the debtors are listed as follows:

	Nature	Balance	Aging	% of total balance	Provision for bad debts
Company 1	Gas bills	11,116,201	within 1 year	20%	54,774
Company 2	Electricity bills	7,415,700	within 1 year	14%	36,540
Company 3	Platform utilization fee	5,525,739	within 1 year	10%	27,228
Company 4	Customs working capital, etc	4,959,843	within 1 year	9%	24,439
Company 5	Guarantee	2,085,513	Over 1 year	4%	10,276
		<u>31,102,996</u>		<u>57%</u>	<u>153,257</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(9) Inventories

(a) Inventories were summarised by category as follows:

	31 December 2024			31 December 2023		
	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	1,297,887,283	89,113,586	1,208,773,697	802,679,074	130,036,719	672,642,355
Finished goods	416,054,999	9,124,198	406,930,801	497,244,891	-	497,244,891
Work in progress	208,385,421	282,318	208,103,103	194,945,039	816,091	194,128,948
Low value consumables	74,927,505	8,943,729	65,983,776	83,217,698	2,830,181	80,387,517
Materials in transit	85,555,538	-	85,555,538	71,613,700	-	71,613,700
Materials consigned for processing	79,170,327	-	79,170,327	44,242,100	-	44,242,100
	<u>2,161,981,073</u>	<u>107,463,831</u>	<u>2,054,517,242</u>	<u>1,693,942,502</u>	<u>133,682,991</u>	<u>1,560,259,511</u>

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

	31 December 2023	Increase in the current year		Decrease in the current year		31 December 2024
		Provision	Reversal	Write-off		
Raw materials	130,036,719	20,111,185	(8,430,464)	(52,603,854)		89,113,586
Finished goods	-	9,124,198	-	-		9,124,198
Low value consumables	2,830,181	8,943,729	(3,684)	(2,826,497)		8,943,729
Work in progress	816,091	282,281	-	(816,054)		282,318
	<u>133,682,991</u>	<u>38,461,393</u>	<u>(8,434,148)</u>	<u>(56,246,405)</u>		<u>107,463,831</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(9) Inventories (Cont'd)

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

The Group uses whether the cost is higher than the net realizable value as the basis for the provision for inventory decline. Net realizable value is determined by the estimated selling price of the inventory, less the estimated costs to be incurred at completion, estimated contract performance costs and selling expenses, and related taxes. The reason for the reversal or resale of the provision for inventory decline in the current year is the increase in the net realizable value of the inventory for which the provision for inventory decline has been made in previous years or the sales realized in the current year.

(10) Other current assets

	31 December 2024	31 December 2023
Taxes prepaid, input VAT to be deducted and to be verified	1,200,018,920	951,659,556
Others	<u>28,354,057</u>	-
	<u>1,228,372,977</u>	<u>951,659,556</u>

(11) Current portion of non-current assets

	31 December 2024	31 December 2023
Current portion of long-term receivables (Note 5(12))	<u>20,784,738</u>	<u>15,749,806</u>

(12) Long-term receivables

	31 December 2024	31 December 2023
Long-term receivables	41,474,312	41,919,493
Less: Unearned financing income	(2,053,465)	(3,268,233)
Provision for bad debts	(102,201)	(125,758)
Current portion of long-term receivables (Note 5(11))	<u>(20,784,738)</u>	<u>(15,749,806)</u>
	<u>18,533,908</u>	<u>22,775,696</u>

As at 31 December 2024, the Group's long-term receivables were formed by instalment receipts from disposal of fixed assets and instalment sales, etc., and the payments will be recovered from 2025 to 2029.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(13) Long-term equity investments

	31 December 2024	31 December 2023
Associates		
- Shanxi Yunnei Power Co., Ltd. ("The Power Company")	194,393,246	202,327,605
- Hanon Systems (Nanchang) Co., Ltd. ("Hanon Systems")	24,904,785	31,470,743
Less: Provision for impairment of long-term equity investments	-	-
	<u>219,298,031</u>	<u>233,798,348</u>

Associates

	<u>Movements for the current year</u>							<u>Impairment provision</u>		
	31 December 2023	Increase/ Decrease in investment	Share of net profit/(loss) under equity method	Cash dividends declared	Provision for impairment	31 December 2024	Shareholding (%)	Voting rights (%)	31 December 2024	31 December 2023
The Power Company	202,327,605	-	(7,934,359)	-	-	194,393,246	40%	40%	-	-
Hanon Systems	31,470,743	-	(2,429,558)	(4,136,400)	-	24,904,785	19.15%	33.33%	-	-
Total	<u>233,798,348</u>	<u>-</u>	<u>(10,363,917)</u>	<u>(4,136,400)</u>	<u>-</u>	<u>219,298,031</u>			<u>-</u>	<u>-</u>

Related information of equity in associates is set forth in Note 6(2).

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(14) Fixed assets

	31 December 2024	31 December 2023
Fixed assets (a)	5,749,363,332	5,389,534,479
Fixed assets pending for disposal (b)	<u>110,673</u>	<u>110,673</u>
	<u>5,749,474,005</u>	<u>5,389,645,152</u>

(a) Fixed assets

	Buildings	Machinery and equipment	Vehicles	Moulds	Electronic and other equipment	Total
<b>Cost</b>						
31 December 2023	2,226,158,780	3,226,527,648	513,121,037	4,121,429,291	4,340,265,136	14,427,501,892
Increase in the current year						
Transfers from construction in progress	144,397,153	114,062,594	507,566,464	439,001,329	205,256,676	1,410,284,216
Decrease in the current year						
Disposal or retirement	(2,890,778)	(93,486,987)	(20,240,896)	(139,633,915)	(76,783,132)	(333,035,708)
Others	-	(13,941,062)	-	-	(21,190,965)	(35,132,027)
31 December 2024	2,367,665,155	3,233,162,193	1,000,446,605	4,420,796,705	4,447,547,715	15,469,618,373
<b>Accumulated depreciation</b>						
31 December 2023	475,073,634	1,960,756,439	321,764,940	2,761,763,523	2,919,832,565	8,439,191,101
Increase in the current year						
Provision	54,915,904	190,840,928	77,759,139	322,749,851	341,112,021	987,377,843
Decrease in the current year						
Disposal or retirement	(1,952,940)	(82,930,819)	(10,056,909)	(138,921,712)	(70,792,639)	(304,655,019)
Others	-	(11,357,527)	-	-	(18,908,564)	(30,266,091)
31 December 2024	528,036,598	2,057,309,021	389,467,170	2,945,591,662	3,171,243,383	9,091,647,834
<b>Provision for impairment</b>						
31 December 2023	172,020,613	28,233,307	6,552,525	339,692,238	52,277,629	598,776,312
Increase in the current year						
Provision	-	16,447,633	434,067	10,559,300	9,132,579	36,573,579
Decrease in the current year						
Disposal or retirement	-	(5,247,230)	(49,505)	(101,412)	(1,344,537)	(6,742,684)
31 December 2024	172,020,613	39,433,710	6,937,087	350,150,126	60,065,671	628,607,207
<b>Carrying amount</b>						
31 December 2024	1,667,607,944	1,136,419,462	604,042,348	1,125,054,917	1,216,238,661	5,749,363,332
31 December 2023	1,579,064,533	1,237,537,902	184,803,572	1,019,973,530	1,368,154,942	5,389,534,479

In 2024, depreciation charged to fixed assets amounted to RMB987,377,843 (2023: RMB916,013,071), 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 RMB849,126,318, RMB6,581,964, RMB58,162,821 and RMB73,506,740 (2023: RMB757,170,123, RMB6,127,943, RMB91,423,304 and RMB61,291,701), respectively.

The costs of fixed assets transferred from construction in progress amounted to RMB1,410,284,216 (2023: RMB1,133,482,450).



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**5 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 2024, the fixed assets with a carrying amount of approximately RMB166,048,112 (a cost of RMB1,419,765,179) (31 December 2023: a carrying amount of approximately RMB179,453,179 and a cost of RMB1,324,043,538) were idle due to the termination of the equity transfer transaction of JMCH and the change of product process of the Group. The analysis was as follows:

	Cost	Accumulated depreciation	Provision for impairment	Carrying amount
Buildings	409,162,422	110,110,122	172,020,613	127,031,687
Machinery and equipment	181,614,541	137,921,094	28,606,635	15,086,812
Vehicles	63,880,172	54,369,219	6,902,177	2,608,776
Moulds	430,812,406	111,190,258	319,612,735	9,413
Electronic and other equipment	334,295,638	263,273,619	49,710,595	21,311,424
	<u>1,419,765,179</u>	<u>676,864,312</u>	<u>576,852,755</u>	<u>166,048,112</u>

(ii) Operating lease of fixed assets:

As of December 31, 2024, the Cost was RMB510,288,722, the accumulated depreciation was RMB 39,482,278, and the carrying amount at the end of the period was RMB470,806,444.

(ii) Fixed assets with pending certificates of ownership:

	Carrying amount	Reason for not obtaining certificates of ownership
Buildings	<u>8,806,326</u>	Pending procedures

(b) Fixed assets pending for disposal

	31 December 2024	31 December 2023
Electronic and other equipment	85,891	85,891
Machinery and equipment	24,782	24,782
	<u>110,673</u>	<u>110,673</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(15) Construction in progress

	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Projects for commercial vehicles	364,639,322	1,284,000	363,355,322	176,425,357	1,284,000	175,141,357
Projects for passenger vehicles	134,553,481	4,460,314	130,093,167	192,375,226	4,460,314	187,914,912
Projects for automobile parts factory	64,627,414	-	64,627,414	28,037,073	-	28,037,073
Projects for automobiles factory	5,625,803	-	5,625,803	17,752,703	-	17,752,703
Others	98,901,720	691,646	98,210,074	56,277,013	691,646	55,585,367
	<u>668,347,740</u>	<u>6,435,960</u>	<u>661,911,780</u>	<u>470,867,372</u>	<u>6,435,960</u>	<u>464,431,412</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**5 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 2023	Increase in the current year	Transfer to fixed assets in the current year	Transfer to intangible assets in the current year	31 December 2024	% 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	304,678	176,425,357	479,737,127	(291,523,162)	-	364,639,322	63%	63%	-	-	Self-owned funds
Projects for passenger vehicles	115,766	192,375,226	262,277,467	(320,099,212)	-	134,553,481	65%	65%	-	-	Self-owned funds
Projects for automobiles factory	312,655	17,752,703	192,574,358	(204,411,662)	(289,596)	5,625,803	79%	79%	-	-	Self-owned funds
Projects for automobile parts factory	14,867	28,037,073	78,383,663	(41,793,322)	-	64,627,414	73%	73%	-	-	Self-owned funds
Others		56,277,013	647,196,013	(552,456,858)	(52,114,448)	98,901,720			292,897	-	Self-owned funds and borrowings
		<u>470,867,372</u>	<u>1,660,168,628</u>	<u>(1,410,284,216)</u>	<u>(52,404,044)</u>	<u>668,347,740</u>			<u>292,897</u>	<u>-</u>	

(b) Provision for impairment of construction in progress

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024	Reason for provision
Projects for commercial vehicles	1,284,000	-	-	1,284,000	The recoverable amount is lower than the carrying amount
Projects for passenger vehicles	4,460,314	-	-	4,460,314	The recoverable amount is lower than the carrying amount
Others	691,646	-	-	691,646	The recoverable amount is lower than the carrying amount
	<u>6,435,960</u>	<u>-</u>	<u>-</u>	<u>6,435,960</u>	

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(16) Right-of-use assets

	Buildings
Cost	
31 December 2023	369,902,195
Increase in the current year	
New lease contracts	53,730,107
Decrease in the current year	
Expiration of lease contract	(47,838,837)
31 December 2024	375,793,465
Accumulated depreciation	
31 December 2023	175,066,167
Increase in the current year	
Provision	83,864,887
Decrease in the current year	
Expiration of lease contract	(41,623,277)
31 December 2024	217,307,777
Provision for impairment	
31 December 2023	-
Increase in the current year	-
Decrease in the current year	-
31 December 2024	-
Carrying amount	
31 December 2024	158,485,688
31 December 2023	194,836,028

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

**(17) Intangible assets**

	Land use rights	Software use fees	Non-patent technologies	Others	Total
<b>Cost</b>					
31 December 2023	628,964,157	394,046,217	1,839,778,636	38,578,700	2,901,367,710
Increase in the current year					
Transfers from construction in progress	-	52,404,044	-	-	52,404,044
Internal research and development	-	-	480,816,425	-	480,816,425
Decrease in the current year					
Disposal	(3,664,831)	-	-	-	(3,664,831)
31 December 2024	625,299,326	446,450,261	2,320,595,061	38,578,700	3,430,923,348
<b>Accumulated amortisation</b>					
31 December 2023	153,225,333	235,386,600	730,739,330	38,578,700	1,157,929,963
Increase in the current year					
Provision	13,199,813	50,486,546	347,389,409	-	411,075,768
Decrease in the current year					
Disposal	(1,953,862)	-	-	-	(1,953,862)
31 December 2024	164,471,284	285,873,146	1,078,128,739	38,578,700	1,567,051,869
<b>Provision for impairment</b>					
31 December 2023	-	-	52,416,626	-	52,416,626
Increase in the current year					
Provision	-	-	-	-	-
31 December 2024	-	-	52,416,626	-	52,416,626
<b>Carrying amount</b>					
31 December 2024	460,828,042	160,577,115	1,190,049,696	-	1,811,454,853
31 December 2023	475,738,824	158,659,617	1,056,622,680	-	1,691,021,121

As at 31 December 2024, the intangible assets developed by the Group accounted for 61% (31 December 2023: 56%) of the carrying amount of intangible assets.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(18) Expenditure on research and development

The Group's total expenditure on research and development activities in 2024 and 2023 is presented by nature as follows:

	2024	2023
Employee benefits	872,800,912	724,160,168
Design fee	276,633,918	513,146,559
Consumed materials	241,660,045	263,541,026
Depreciation and amortisation	82,982,038	67,981,814
Others	225,684,210	277,552,954
	<u>1,699,761,123</u>	<u>1,846,382,521</u>
Wherein expenditure on research and development on the research phase (Note 5(45))	<u>1,314,579,423</u>	<u>1,286,201,612</u>

(a) The changes in the Group's development expenditures eligible for capitalisation in 2024 is analysed as follows:

	31 December 2023	Increase in the current year	Transfer to intangible assets in the current year	31 December 2024
Projects for passenger vehicles	283,738,155	144,453,586	400,913,756	27,277,985
Projects for commercial vehicles	-	240,728,114	79,902,669	160,825,445
	<u>283,738,155</u>	<u>385,181,700</u>	<u>480,816,425</u>	<u>188,103,430</u>

The capitalization of the vehicle project started when the product was ready and the R&D data was frozen, and it had passed the Group's technical review meeting. After the completion of the development of the project, it is expected to be ready for mass production of vehicle products with marketing capabilities, with a progress of approximately 61% as of December 31, 2024, and is expected to be completed by 2025.

In 2024, there was no impairment of the Group's development expenditure items (2023: nil).

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(19) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	31 December 2024		31 December 2023	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Accrued expenses and provisions	5,243,226,986	1,202,834,659	5,860,011,327	1,364,811,520
Recoverable losses	3,007,086,847	645,511,957	2,443,729,567	389,836,053
Provision for asset impairment	622,528,655	94,016,209	1,192,154,407	183,615,437
Non-patent technology	440,753,948	100,999,156	304,526,218	63,692,824
Lease liability	179,407,961	27,067,280	218,076,092	34,258,049
Employee education funds unpaid	53,619,310	8,554,549	81,356,938	12,728,702
Deferred income	61,202,010	9,180,301	67,601,361	10,140,204
Retirement benefits plan	10,153,000	2,194,050	10,515,000	2,172,350
Others	122,815,039	20,274,065	186,761,227	28,046,234
	<u>9,740,793,756</u>	<u>2,110,632,226</u>	<u>10,364,732,137</u>	<u>2,089,301,373</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

(b) Deferred tax liabilities before offsetting

	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Depreciation of fixed assets	3,045,807,585	624,476,184	2,912,652,979	556,699,442
Right-of-use assets	158,457,332	25,571,835	194,836,028	30,336,433
Equity transactions between parent and subsidiary	166,600,000	24,990,000	125,800,000	18,870,000
Differences between the fair value of the identifiable net assets and carrying amount arising from business combinations involving enterprises not under common control	74,742,572	18,685,643	77,027,559	19,256,890
Amortisation of intangible assets	88,274,866	15,312,010	73,907,060	11,171,829
Others	11,693,768	1,754,065	1,064,183	220,115
	<u>3,545,576,123</u>	<u>710,789,737</u>	<u>3,385,287,809</u>	<u>636,554,709</u>



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

	31 December 2024	31 December 2023
Deductible temporary differences	2,598,578,425	2,020,124,206
Deductible losses	<u>231,610,985</u>	<u>167,104,457</u>
	<u>2,830,189,410</u>	<u>2,187,228,663</u>

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

	31 December 2024	31 December 2023
2025	594,567	-
2026	136,794	-
2027	109,138,616	93,001,631
2028	80,885,354	74,102,826
2029	<u>40,855,654</u>	<u>-</u>
	<u>231,610,985</u>	<u>167,104,457</u>

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

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(580,487,861)	1,530,144,365	(617,297,819)	1,472,003,554
Deferred tax liabilities	(580,487,861)	130,301,876	(617,297,819)	19,256,890

(20) Other non-current assets

	31 December 2024	31 December 2023
Prepayment for molds	<u>7,860,340</u>	<u>10,807,967</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(21) Provision for asset impairment and losses

	31 December 2023	Increase in the current year	Decrease in the current year		31 December 2024
			Reversal	Write-off /Disposal	
Provision for bad debts of notes receivable (Note 5(4))	17,564	-	(17,497)	-	67
Provision for bad debts of accounts receivable (Note 5(5))	127,740,660	-	(9,455,213)	-	118,285,447
Including: Provision for bad debts on the individual basis	110,154,214	-	(5,433,007)	-	104,721,207
Provision for bad debts on the grouping basis	17,586,446	-	(4,022,206)	-	13,564,240
Provision for bad debts of other receivables (Note 5(8))	402,984	-	(141,945)	-	261,039
Provision for bad debts of long-term receivables (Note 5(12))	125,758	-	(23,557)	-	102,201
Sub-total	<u>128,286,966</u>	<u>-</u>	<u>(9,638,212)</u>	<u>-</u>	<u>118,648,754</u>
Provision for decline in the value of inventories (Note 5(9))	133,682,991	38,461,393	(8,434,148)	(56,246,405)	107,463,831
Provision for impairment of fixed assets (Note 5(14))	598,776,312	36,573,579	-	(6,742,684)	628,607,207
Provision for impairment of construction in progress (Note 5(15))	6,435,960	-	-	-	6,435,960
Provision for impairment of goodwill (i)	89,028,412	-	-	-	89,028,412
Provision for impairment of intangible assets (Note 5(17))	52,416,626	-	-	-	52,416,626
Sub-total	<u>880,340,301</u>	<u>75,034,972</u>	<u>(8,434,148)</u>	<u>(62,989,089)</u>	<u>883,952,036</u>
	<u>1,008,627,267</u>	<u>75,034,972</u>	<u>(18,072,360)</u>	<u>(62,989,089)</u>	<u>1,002,600,790</u>

(i) As at 31 December 2019, the Group had made full provision for impairment of goodwill.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(22) Short-term borrowings

	31 December 2024	31 December 2023
Credit loan	<u>1,500,000,000</u>	<u>1,300,000,000</u>

As at 31 December 2024, the Group had no overdue short-term borrowings and the interest rates ranged from 0.55% to 0.95% (31 December 2023: 1.73% to 2.4%).

(23) Accounts payable

	31 December 2024	31 December 2023
Payable for automobile parts	9,785,507,926	9,094,393,825
Payable for raw and auxiliary materials	<u>275,716,018</u>	<u>381,821,398</u>
	<u>10,061,223,944</u>	<u>9,476,215,223</u>

As at 31 December 2024, accounts payable with aging over one year amounted to RMB170,590,008 (31 December 2023: RMB408,228,798), which mainly represented payables for materials for which a settlement price had not yet been determined, and such payables had not been finally settled yet.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(24) Contract liabilities

	31 December 2024	31 December 2023
Advances for maintenance and warranty services, etc.	632,287,355	226,857,269
Advances for automobiles and automobile parts	206,210,459	137,176,924
	<u>838,497,814</u>	<u>364,034,193</u>
Less: Contract liabilities carried forward to revenue after 1 year (Note 5(35), Note 5(41)(c)(i))	<u>(370,793,523)</u>	<u>(120,293,201)</u>
	<u>467,704,291</u>	<u>243,740,992</u>

In 2024, contract liabilities amounting to RMB236,041,276 included in the carrying amount as at 31 December 2023 were transferred to the revenue of 2024 (2023: RMB152,065,025), including advances for automobiles and automobile parts amounting to RMB129,477,208 (2023: RMB94,400,145), and advances for maintenance and warranty services amounting to RMB106,564,068 (2023: RMB57,664,880).

(25) Employee benefits payable

	31 December 2024	31 December 2023
Short-term employee benefits payable (a)	771,878,485	882,869,951
Defined contribution plans payable (b)	2,799,913	1,818,160
Defined benefit plans payable (c)	3,015,000	2,865,000
Termination benefits payable (d)	2,481,176	2,498,176
	<u>780,174,574</u>	<u>890,051,287</u>

(a) Short-term employee benefits

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Wages and salaries, bonus, allowances and subsidies	738,660,904	2,078,911,976	(2,125,555,338)	692,017,542
Staff welfare	56,932,663	64,806,713	(100,667,672)	21,071,704
Social security contributions	152,685	131,177,447	(130,517,211)	812,921
Including: Medical insurance	121,642	117,027,261	(116,419,250)	729,653
Work injury insurance	31,043	14,150,186	(14,097,961)	83,268
Housing funds	28,935	197,430,881	(196,967,618)	492,198
Labour union funds and employee education funds	87,094,764	19,032,721	(48,643,365)	57,484,120
Other short-term employee benefits	-	7,108,358	(7,108,358)	-
	<u>882,869,951</u>	<u>2,498,468,096</u>	<u>(2,609,459,562)</u>	<u>771,878,485</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(25) Employee benefits payable (Cont'd)

(b) Defined contribution plans

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Basic pensions	1,761,709	259,843,439	(258,907,081)	2,698,067
Unemployment insurance	56,451	8,221,586	(8,176,191)	101,846
	<u>1,818,160</u>	<u>268,065,025</u>	<u>(267,083,272)</u>	<u>2,799,913</u>

(c) Defined benefit plans

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Post-retirement benefits payable (Note 5(34))	<u>2,865,000</u>	<u>2,514,485</u>	<u>(2,364,485)</u>	<u>3,015,000</u>

(d) Termination benefits payable

	31 December 2024	31 December 2023
Early retirement benefits payable (Note 5(34))	1,143,000	1,160,000
Other termination benefits (i)	<u>1,338,176</u>	<u>1,338,176</u>
	<u>2,481,176</u>	<u>2,498,176</u>

(i) In 2024, other termination benefits paid by the Group for termination of the employment relationship were RMB3,333,613 (2023: RMB14,126,035).

(26) Taxes payable

	31 December 2024	31 December 2023
Unpaid VAT	117,211,162	637,391
Consumption tax payable	103,965,331	73,794,904
Land use tax payable	4,753,390	4,831,953
Enterprise income tax payable	-	18,702,207
Others	<u>39,268,506</u>	<u>20,433,310</u>
	<u>265,198,389</u>	<u>118,399,765</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(27) Other payables

	31 December 2024	31 December 2023
Promotion expenses	2,727,155,425	2,978,276,681
Research and development project expenses	962,540,747	968,699,606
Construction payment	466,886,864	539,487,510
Transportation expenses	256,166,660	148,140,843
Guarantees	134,483,995	124,132,883
Advertising and new product planning fees	117,665,807	166,568,934
Trademark license fee	61,000,949	17,037,453
Consulting fees	42,367,665	31,808,406
Technological transformation project expenses	13,301,266	23,333,420
Ordinary share dividends payable	6,463,836	6,463,836
Others	951,030,953	941,026,521
	<u>5,739,064,167</u>	<u>5,944,976,093</u>

As at 31 December 2024, other payables with aging over one year of RMB1,594,877,126 (31 December 2023: RMB1,967,233,887) mainly comprised guarantees collected from distributors and repair stations, payables for promotion, payables for research and development expenses and payables for construction projects. Such payables had 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.

(28) Current portion of non-current liabilities

	31 December 2024	31 December 2023
Current portion of lease liabilities (Note 5(31))	85,684,387	80,070,149
Current portion of long-term borrowings (Note 5(30))	470,727	13,313,749
	<u>86,155,114</u>	<u>93,383,898</u>

(29) Other current liabilities

	31 December 2024	31 December 2023
Provisions expected to be settled within 1 year (Note 5(32))	314,682,704	356,115,630
Others	26,865,737	17,833,000
	<u>341,548,441</u>	<u>373,948,630</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(30) Long-term borrowings

	31 December 2024	31 December 2023
Guaranteed loans(a)	1,412,180	1,855,219
Credit loans	-	12,849,944
Less: Current portion of long-term borrowings (Note 5(28))	<u>(470,727)</u>	<u>(13,313,749)</u>
	<u>941,453</u>	<u>1,391,414</u>

- (a) As at 31 December 2024, the above guaranteed loans were long-term borrowings amounting to USD 196,453 guaranteed by JMCF (note 8(5)(c)), borrowed from Industrial and Commercial Bank of China (“ICBC”), Nanchang Ganjiang Sub-branch with interests paid every half year and the principal paid in instalments between 10 December 2007 and 27 October 2027.

	Starting date	Maturity date	Currency	Interest rate (%)	31 December 2024		31 December 2023	
					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%	196,453	1,412,180	261,937	1,855,219

- (b) As at 31 December 2024, the Group had no overdue long-term borrowings at an interest rate of 1.5% (31 December 2023: 1.5%-2.5%).

(31) Lease liabilities

	31 December 2024	31 December 2023
Lease liabilities (a)	179,437,021	218,076,092
Less: Current portion of non-current liabilities (Note 5(28))	<u>(85,684,387)</u>	<u>(80,070,149)</u>
	<u>93,752,634</u>	<u>138,005,943</u>

- (a) As at 31 December 2024, the Group had no leases that were not included in lease liabilities but will result in potential future cash outflows.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(32) Provisions

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Product warranties	671,815,893	235,456,948	(305,424,434)	601,848,407
Less: Provisions expected to be settled within 1 year (Note 5(29))	<u>(356,115,630)</u>			<u>(314,682,704)</u>
	<u>315,700,263</u>			<u>287,165,703</u>

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.

(33) Deferred income

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Government grants	<u>67,601,361</u>	<u>2,700,000</u>	<u>(9,099,351)</u>	<u>61,202,010</u>

(a) Government grants

	31 December 2023	Increase in the current year	<u>Decrease in the current year</u> Recognised in other income	31 December 2024
Government grants related to assets	8,724,703	-	(1,610,714)	7,113,989
Government grants related to income	<u>58,876,658</u>	<u>2,700,000</u>	<u>(7,488,637)</u>	<u>54,088,021</u>
	<u>67,601,361</u>	<u>2,700,000</u>	<u>(9,099,351)</u>	<u>61,202,010</u>



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(34) Long-term employee benefits payable

	31 December 2024	31 December 2023
Supplementary retirement benefits and early-retirement benefits eligible for recognition of provisions	63,500,000	56,916,000
Less: Payable within 1 year	<u>(4,158,000)</u>	<u>(4,025,000)</u>
	<u>59,342,000</u>	<u>52,891,000</u>

The retirement and early-retirement benefits payable within one year are included in employee benefits payable (Note 5(25)(c), Note 5(25)(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 2024	31 December 2023
Opening balance	56,916,000	55,374,000
Cost of defined benefit plans recognised in profit or loss for the current period		
- Current service cost	1,237,000	1,141,000
- Past service cost	1,131,000	-
- Actuarial gains or losses recognised immediately	610,000	(331,000)
- Net interest	1,378,000	1,610,000
Remeasurement of net liabilities for defined benefit plans		
- Actuarial (gains)/losses(Note 5(38))	5,816,000	2,593,000
Other movements		
- Benefits paid	<u>(3,588,000)</u>	<u>(3,471,000)</u>
Ending balance	<u>63,500,000</u>	<u>56,916,000</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

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

	31 December 2024	31 December 2023
Discount rate	1.75%	2.50%
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 of the Group was analysed as follows:

	Variation in assumptions	Effect on present value of defined benefit obligations	
		Assumed increase	Assumed decrease
Discount rate	0.5%	Decrease of 6.3%	Increase of 7.3%
Inflation rate	0.5%	Increase of 4.4%	Decrease of 3.7%

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 and inflation risk. 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.

(35) Other non-current liabilities

	31 December 2024	31 December 2023
Contract liabilities carried forward to revenue after 1 year (Note 5(24))	<u>370,793,523</u>	<u>120,293,201</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(36) Share capital

	31 December 2023	Movements for the current year					31 December 2024
		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>

Since the implementation of the Company's Scheme on Share Split Reform on 13 February 2006, as at 31 December 2024, 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.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(36) Share capital (Cont'd)

	31 December 2022	Movements for the current year					31 December 2023
		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>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(37) Capital surplus

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
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 2022	Increase in the current year	Decrease in the current year	31 December 2023
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>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(38) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2024				
	31 December 2023	Attributable to the parent company after tax	31 December 2024	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	(20,572,000)	(5,816,000)	(26,388,000)	(5,816,000)	-	-	(5,816,000)	-
	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2023				
	31 December 2022	Attributable to the parent company after tax	31 December 2023	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	(13,484,250)	(7,087,750)	(20,572,000)	(2,593,000)	-	(4,494,750)	(7,087,750)	-

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(39) Surplus reserve

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
Statutory surplus reserve	431,607,000	-	-	431,607,000
	31 December 2022	Increase in the current year	Decrease in the current year	31 December 2023
Statutory surplus reserve	431,607,000	-	-	431,607,000

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 (2023: 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.

(40) Retained earnings

	2024	2023
Retained earnings at the beginning of the year	8,232,632,623	7,123,038,093
Add: Net profit attributable to shareholders of the parent company for the current year	1,537,139,024	1,475,597,266
Less: Ordinary share dividends payable (a)	(590,438,376)	(366,002,736)
Retained earnings at the end of the year	9,179,333,271	8,232,632,623

- (a) According to the resolution of the Board of Directors on 25 June 2024, the Company proposed to distribute cash dividends of RMB0.684 per share to all shareholders, calculated on the basis of 863,214,000 issued shares, for a total of RMB590,438,376.

According to the resolution of the Board of Directors on March 27, 2025, the Board of Directors proposed that the Company distribute a cash dividend of RMB 0.712 per share to all shareholders, with a total cash dividend of RMB 614,608,368 calculated based on the issued shares of RMB 863,214,000 (Note 11).

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(41) Revenue and cost of sales

	2024	2023
Revenue from main operations	37,235,820,378	32,673,950,278
Revenue from other operations	1,138,340,370	493,374,803
	<u>38,374,160,748</u>	<u>33,167,325,081</u>
	2024	2023 (Restated)
Cost of sales from main operations	32,003,611,043	27,978,456,518
Cost of sales from other operations	948,134,101	417,730,549
	<u>32,951,745,144</u>	<u>28,396,187,067</u>

(a) Revenue and cost of sales from main operations

	2024		2023	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations (Restated)
Sales of automobiles	34,701,934,080	30,059,078,108	30,379,757,733	26,171,901,058
Sales of automobile parts	1,806,591,173	1,234,273,997	1,719,943,033	1,244,592,272
Automobile maintenance services, etc.	727,295,125	710,258,938	574,249,512	561,963,188
	<u>37,235,820,378</u>	<u>32,003,611,043</u>	<u>32,673,950,278</u>	<u>27,978,456,518</u>

(b) Revenue and cost of sales from other operations

	2024		2023	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	704,303,890	682,948,496	330,754,338	296,981,256
Others	434,036,480	265,185,605	162,620,465	120,749,293
	<u>1,138,340,370</u>	<u>948,134,101</u>	<u>493,374,803</u>	<u>417,730,549</u>



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

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

(c) The breakdown of the Group's revenue by product and service transfer time was as follows:

	2024				Total
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	
Revenue from main operations	34,701,934,080	1,806,591,173	727,295,125	-	37,235,820,378
Including: Recognised at a time point	34,701,934,080	1,806,591,173	-	-	36,508,525,253
Recognised within a certain period	-	-	727,295,125	-	727,295,125
Revenue from other operations (i)	-	-	-	1,138,340,370	1,138,340,370
	<u>34,701,934,080</u>	<u>1,806,591,173</u>	<u>727,295,125</u>	<u>1,138,340,370</u>	<u>38,374,160,748</u>
	2023				Total
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	
Revenue from main operations	30,379,757,733	1,719,943,033	574,249,512	-	32,673,950,278
Including: Recognised at a time point	30,379,757,733	1,719,943,033	-	-	32,099,700,766
Recognised within a certain period	-	-	574,249,512	-	574,249,512
Revenue from other operations (i)	-	-	-	493,374,803	493,374,803
	<u>30,379,757,733</u>	<u>1,719,943,033</u>	<u>574,249,512</u>	<u>493,374,803</u>	<u>33,167,325,081</u>

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

As at 31 December 2024, the amount of revenue corresponding to the performance obligations that the Group had contracted but had not commenced or completed was RMB838,497,814, of which the Group expects that RMB206,210,459 and RMB261,493,832 will be recognised as revenue from the sales of automobiles and parts and revenue from the sales of automobile maintenance services respectively in 2025, RMB370,793,523 will be recognised as revenue from automobile maintenance services from 2025 to 2029(Note 5(24)).

(42) Taxes and surcharges

	2024	2023
Consumption tax	1,127,393,441	807,035,414
City maintenance and construction tax	124,517,786	54,093,798
Educational surcharge	124,287,311	53,936,767
Stamp tax	50,452,323	18,749,571
Land use tax	20,374,559	20,610,246
Real estate tax	19,966,276	19,364,219
Others	453,393	381,313
	<u>1,467,445,089</u>	<u>974,171,328</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(43) Selling and distribution expenses

	2024	2023 (Restated)
Promotion expenses	479,050,609	521,049,350
Employee benefits	252,743,744	230,660,091
Advertising and new product planning fees	112,244,723	168,368,816
Storage expenses	32,230,829	49,903,377
Packaging material expenses	29,861,191	33,681,580
Depreciation and amortisation expenses	15,597,750	12,751,571
Others	137,219,747	119,618,818
	<u>1,058,948,593</u>	<u>1,136,033,603</u>

(44) General and administrative expenses

	2024	2023
Employee benefits	518,113,814	565,612,010
Depreciation and amortisation expenses	121,213,685	147,236,553
Trademark license fee	90,222,606	69,249,223
Repair expenses	32,646,022	30,690,596
Consulting fees	34,235,261	24,038,091
General office expenses	13,264,317	11,811,212
Cartage fee	6,447,412	3,212,158
Others	127,479,451	131,608,188
	<u>943,622,568</u>	<u>983,458,031</u>

(45) Research and development expenses

	2024	2023
Employee benefits	705,363,425	574,111,697
Design fee	177,283,649	209,447,053
Materials expenses	212,613,178	242,947,545
Depreciation and amortisation expenses	82,982,038	67,981,814
Others	136,337,133	191,713,503
	<u>1,314,579,423</u>	<u>1,286,201,612</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(46) Financial expenses

	2024	2023
Interest costs	11,982,579	31,751,482
Add: Interest costs on lease liabilities	8,322,276	10,093,308
Interest expenses	<u>20,304,855</u>	<u>41,844,790</u>
Less: Interest income from cash at bank	(192,964,801)	(237,934,702)
Other interest income	(5,950,496)	(13,117,861)
Interest income	(198,915,297)	(251,052,563)
Exchange gains or losses	25,017,106	2,882,286
Others	1,283,199	1,416,733
	<u>(152,310,137)</u>	<u>(204,908,754)</u>

(47) Asset impairment losses

	2024	2023
Impairment of fixed assets	36,573,579	252,193,642
Losses on decline in the value of inventories	30,027,245	73,577,937
Impairment of intangible assets	-	13,609,665
Impairment of construction in progress	-	5,744,314
	<u>66,600,824</u>	<u>345,125,558</u>

(48) Credit impairment losses

	2024	2023
Losses on bad debts of accounts receivable	(9,455,213)	6,217,292
Losses on bad debts of other receivables	(141,945)	68,376
Losses on bad debts of notes receivable	(17,497)	(300,857)
Losses on bad debts of long-term receivables	(23,557)	(20,328)
	<u>(9,638,212)</u>	<u>5,964,483</u>

(49) Other income

	2024	2023	Asset related/ Income related
Government grants			
- Supporting funds by government	130,000,000	552,216,000	Income related
- Research and development activities related subsidies	16,559,837	2,752,567	Income related
- Equipment purchasing-related subsidies	1,610,714	1,610,714	Asset related
- Other subsidies related with daily operation	36,239,194	6,520,850	Income related
Additional deduction of input VAT, etc.	330,020,306	4,429,635	—
	<u>514,430,051</u>	<u>567,529,766</u>	

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

(50) Investment income

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

	2024	2023
Losses on discount of financing receivables eligible for derecognition (Note 5(6))	(110,250)	(9,867,768)
Losses on long-term equity investments under equity method (Note 5(13))	(10,363,917)	(9,591,118)
Investment income from forward exchange settlement	5,237,734	6,757,648
Investment income from financial assets held for trading	4,294,164	2,122,192
	<u>(942,269)</u>	<u>(10,579,046)</u>

There is no significant restriction on the remittance of investment income of the Group.

(51) Gains on changes in fair value

	2024	2023
Derivative financial assets and derivative financial liabilities - Gains/(Losses) on forward exchange contracts	13,071,686	(3,432,004)
Financial assets at fair value through profit or loss - Structural deposits	-	604,877
	<u>13,071,686</u>	<u>(2,827,127)</u>

(52) Gains on disposal of assets

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Gains/(Losses) on disposal of assets	<u>3,317,046</u>	<u>(3,908,476)</u>	<u>3,317,046</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(53) Non-operating income

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Penalty income	2,198,667	2,016,394	2,198,667
Others	2,845,126	6,859,486	2,845,126
	<u>5,043,793</u>	<u>8,875,880</u>	<u>5,043,793</u>

(54) Non-operating expenses

	2024	2023	Amount recognised in non-recurring profit or loss in 2024
Losses on scrapping of assets	2,773,464	3,544,912	2,773,464
Donations	2,792,688	2,005,050	2,792,688
Others	4,414,005	491,061	4,414,005
	<u>9,980,157</u>	<u>6,041,023</u>	<u>9,980,157</u>

(55) Income tax expenses

	2024	2023
Current income tax calculated based on tax law and related regulations	26,622	(36,527,990)
Deferred income tax	52,904,175	(229,824,580)
	<u>52,930,797</u>	<u>(266,352,570)</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(55) 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 as follows:

	2024	2023
Total profit	1,258,107,606	798,142,127
Income tax calculated at applicable tax rates	188,716,141	119,721,319
Effect of different applicable tax rates	(76,105,027)	(327,690,005)
Additional deductions	(172,777,356)	(211,427,507)
Deductible loss and temporary differences of the unrecognised deferred tax asset in the current period	108,140,186	138,918,718
Non-deductible investment losses	1,554,588	1,438,668
Costs, expenses and losses not deductible for tax purposes	3,402,265	12,686,237
Income tax expenses	<u>52,930,797</u>	<u>(266,352,570)</u>

(56) 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:

	2024	2023
Consolidated net profit attributable to ordinary shareholders of the parent company	1,537,139,024	1,475,597,266
Weighted average number of ordinary shares outstanding issued by the Company	863,214,000	863,214,000
Basic earnings per share	<u>1.78</u>	<u>1.71</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 2024 (2023: Nil), diluted earnings per share equalled to basic earnings per share.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(57) Notes to the cash flow statement

The Group does not present cash flows on a net basis, and the significant cash flow items are presented as follows:

(a) Cash received relating to other operating activities

	2024	2023
Government grants	179,310,467	570,888,569
Guarantees	67,713,679	55,489,359
Others	82,191,370	26,712,624
	<u>329,215,516</u>	<u>653,090,552</u>

(b) Cash paid relating to other operating activities

	2024	2023
Promotion expenses	525,988,884	480,783,867
Research and development expenses	374,612,865	749,170,775
Advertising expenses	172,059,370	169,899,863
Maintenance expenses	95,340,158	89,032,387
Guarantees	55,333,833	39,706,110
Consulting fees	47,010,290	65,342,130
Trademark royalties	46,266,139	59,191,201
Others	546,374,861	877,505,033
	<u>1,862,986,400</u>	<u>2,530,631,366</u>

(c) Cash received relating to other investing activities

	2024	2023
Interest from cash at bank	203,725,243	236,531,137
Other interest	14,579,833	17,591,395
	<u>218,305,076</u>	<u>254,122,532</u>

(d) Cash paid relating to other financing activities

	2024	2023
Payments of lease liabilities	210,728,262	35,327,443
Payment of deposit on a bank acceptance bill	-	700,000,000
Others	330,952	203,835
	<u>211,059,214</u>	<u>735,531,278</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(58) 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

	2024	2023
Net profit	1,205,176,809	1,064,494,697
Add: Asset impairment losses (Note 5(47))	66,600,824	345,125,558
Credit impairment losses (Note 5(48))	(9,638,212)	5,964,483
Depreciation of fixed assets (Note 5(14))	987,377,843	916,013,071
Amortisation of intangible assets (Note 5(17))	411,075,768	303,459,508
Depreciation of right-of-use assets (Note 5(16))	83,864,887	82,225,674
(Gains) /Losses on disposal of long-term assets	(665,549)	7,453,268
Financial income	(153,285,041)	(206,132,603)
Investment loss (Note 5(50))	942,269	10,579,046
(Gains) /Losses on changes in fair value (Note 5(51))	(13,071,686)	2,827,127
Increase in deferred tax assets	(58,140,811)	(225,776,111)
Increase/(Decrease) in deferred tax liabilities	111,044,986	(4,048,469)
(Increase) /Decrease in inventories	(1,196,599,903)	356,811,018
(Decrease)/Increase in provisions	(69,967,486)	46,435,780
(Increase)/Decrease in operating receivables	(99,967,834)	1,243,438,837
Increase in operating payables	1,366,475,616	639,523,406
Decrease/(Increase) in other cash and cash equivalents	2,161,737	(20,854,424)
Net cash flows from operating activities	<u>2,633,384,217</u>	<u>4,567,539,866</u>

Net increase in cash and cash equivalents

	2024	2023
Cash and cash equivalents at the end of the year	12,475,176,009	11,746,518,615
Less: Cash and cash equivalents at the beginning of the year	<u>(11,746,518,615)</u>	<u>(8,543,193,654)</u>
Net increase in cash and cash equivalents	<u>728,657,394</u>	<u>3,203,324,961</u>



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(58) Supplementary information to the cash flow statement (Cont'd)

(b) Changes in liabilities arising from financing activities

	Bank borrowings (including the current portion)	Lease liabilities (including the current portion)	Other Payables	Total
31 December 2023	1,314,705,163	218,076,092	139,255,009	1,672,036,264
Cash inflows from financing activities	2,992,390,000	-	85,750,000	3,078,140,000
Cash outflows from financing activities	(2,817,515,228)	(65,990,982)	(740,015,912)	(3,623,522,122)
Interest accrued in the current year	11,806,941	8,322,276	175,638	20,304,855
Dividends accrued in the current year	-	-	590,438,376	590,438,376
Changes that do not involve cash receipts and payments	25,304	19,029,635	49,816,724	68,871,663
31 December 2024	<u>1,501,412,180</u>	<u>179,437,021</u>	<u>125,419,835</u>	<u>1,806,269,036</u>

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(58) Supplementary information to the cash flow statement (Cont'd)

(c) Cash and cash equivalents

	31 December 2024	31 December 2023
Cash at bank available for payment at any time	11,067,571,593	10,653,646,811
Cash at finance company available for payment at any time	<u>1,407,604,416</u>	<u>1,092,871,804</u>
	<u>12,475,176,009</u>	<u>11,746,518,615</u>

(i) As in Note 5(1), other cash and cash equivalents of RMB18,692,687 as at 31 December 2024(31 December 2023: RMB20,854,424) was not included in cash and cash equivalents.

(59) Foreign currency monetary items

	31 December 2024		
	Amounts in foreign currencies	Translation exchange rate	Amounts in RMB
Long-term borrowings- USD	196,453	7.1884	<u>1,412,180</u>
Other payables- USD	10,881,474	7.1884	<u>78,220,386</u>
			<u>79,632,566</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

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

(60) Lease

(a) As a lessee

	31 December 2024	31 December 2023
Interest expense on lease liabilities	8,322,276	10,093,308
Short-term lease expenses with simplified treatment through profit or loss for the period	1,117,726	2,619,206
Total cash outflows related to leases	<u>211,873,185</u>	<u>37,991,728</u>

The leased assets leased by the Group include houses and buildings used in the course of operation, and the lease term of houses and buildings is usually 1-5 years.

Right-of-use assets, see note 5(16); For lease liabilities, see note 5(31).

(b) As a lessor

The Group leases out its premises, buildings and means of transport for lease terms ranging from 1 to 3 years to form an operating lease.

Operating leases

Gains and losses related to operating leases are presented as follows:

	2024	2023
Rental income	72,919,837	12,315,366

According to the lease contract with the lessee, the undiscounted minimum lease collection amount is as follows:

	2024	2023
Within 1 year (including 1 year)	131,603,273	5,486,835
1 to 2 years (inclusive)	43,748,470	1,627,160
2 years to 3 years (inclusive)	18,874,242	-
	<u>194,225,985</u>	<u>7,113,995</u>

For fixed assets leased out of operation, see Note 5(14).

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**6 Equity in other entities**

(1) Equity in subsidiaries

Structure of the Group

Subsidiaries	Main place of business	Place of registration	Registered capital	Nature of business	Shareholding (%)		Method of acquisition
					Direct	Indirect	
JMCS	Nanchang, Jiangxi	Nanchang, Jiangxi	50,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment Business combinations involving enterprises not under common control
JMCH	Taiyuan, Shanxi	Taiyuan, Shanxi	1,323,793,174	Manufacture and sales of automobiles	100%	-	Set up by investment
SZFJ	Shenzhen, Guangdong	Shenzhen, Guangdong	10,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
GZFJ	Guangzhou, Guangdong	Guangzhou, Guangdong	10,000,000	Retail, wholesale and lease of automobiles	100%	-	Set up by investment
Jiangling Ford (Shanghai)(a)	Shanghai	Shanghai	200,000,000	Sales of automobiles, technical and business information consultation	51%	-	Set up by investment

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**6 Equity in other entities (Cont'd)**

(1) Equity in subsidiaries (Cont'd)

(a) Subsidiaries with significant minority interests

The Group determines the subsidiaries with significant minority interests by taking into account whether the subsidiaries are listed companies, the proportion of minority interests in the Group's consolidated shareholders' equity, and the proportion of profit or loss attributable to minority shareholders in the Group's consolidated net profit, as follows:

	Shareholding of minority shareholders	Total profit or loss attributable to minority shareholders for the year ended 31 December 2024	Dividends paid to minority shareholders for the year ended 31 December 2024	Minority interests as at 31 December 2024
Subsidiaries				
Jiangling Ford (Shanghai)	49%	(331,962,215)	-	(697,235,333)

Key financial information of the above significant non-wholly owned subsidiaries is presented below.

	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Jiangling Ford (Shanghai)	<u>541,795,661</u>	<u>564,241,498</u>	<u>1,106,037,159</u>	<u>2,489,172,755</u>	<u>39,793,654</u>	<u>2,528,966,409</u>
	2024					
	Revenue	Net loss	Total comprehensive loss	Cash flows from operating activities		
Jiangling Ford (Shanghai)	<u>5,322,618,183</u>	<u>(677,473,907)</u>	<u>(677,473,907)</u>	<u>(328,411,969)</u>		

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**6 Equity in other entities (Cont'd)**

(2) Equity in associates

(a) General information of significant associates

The Group determines the significant associates by taking into account factors such as whether the associates are listed companies, the proportion of their carrying amounts to the Group's consolidated total assets, and the proportion of the investment income from long-term equity investments under equity method to the Group's consolidated net profit, as set out below:

	Place of registration	Shareholding (%)	
		Direct	Indirect
Associate - The Power Company	Taiyuan, Shanxi	40%	-

(b) Summarised financial information for significant associates

	31 December 2024 The Power Company	31 December 2023 The Power Company
Current assets	170,083,868	194,206,175
Non-current assets	437,139,815	443,606,551
<b>Total assets</b>	<b>607,223,683</b>	<b>637,812,726</b>
Current liabilities	139,059,465	147,988,407
Non-current liabilities	697	74,039
<b>Total liabilities</b>	<b>139,060,162</b>	<b>148,062,446</b>
<b>Equity</b>	<b>468,163,521</b>	<b>489,750,280</b>
Share of net assets based on shareholding (i)	187,265,408	195,900,112
Adjustments		
- Unrealised profits arising from internal transactions	(13,725,485)	(14,425,830)
- Others (ii)	20,853,323	20,853,323
<b>Carrying amount of equity investments in associates</b>	<b>194,393,246</b>	<b>202,327,605</b>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**6 Equity in other entities (Cont'd)**

(2) Equity in associates (Cont'd)

(b) Summarised financial information for significant associates (Cont'd)

	2024 The Power Company	2023 The Power Company
Revenue	55,024,619	52,305,024
Net loss	(21,745,330)	(29,383,136)
Other comprehensive income	-	-
Total comprehensive loss	<u>(21,745,330)</u>	<u>(29,383,136)</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 fair value of identifiable assets and liabilities at the time of acquisition of the investments and the impact of adjustments to uniform accounting policies. None of the assets involved in transactions between the Group and associates contribute to business.

(ii) Other adjustments were mainly the remeasurement of 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

	2024	2023
Aggregated carrying amount of investments	<u>24,904,785</u>	<u>31,470,743</u>
Aggregate of the following items based on shareholding		
Net loss(i)	(2,429,558)	(863,034)
Other comprehensive income (i)	-	-
Total comprehensive loss	<u>(2,429,558)</u>	<u>(863,034)</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.

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 7 Segment information

Revenue and profits of the Group 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.

In 2024, the revenue obtained from a single customer of the Group accounted for more than 10% of the Group's revenue, amounting to RMB10,846,977,547, or 28.27% (2023: 27.76%), of the Group's revenue.

#### 8 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	91360125MA38LUR91F
Ford	Foreign enterprise	United States	William Clay Ford, Jr.	Manufacture and sales of automobiles	N/A

##### (b) Registered capital and changes in major shareholders

	31 December 2023	Increase in the current year	Decrease in the current year	31 December 2024
JIC	1,000,000,000	-	-	1,000,000,000
Ford	USD 42,000,000	-	-	USD 42,000,000

##### (c) The percentages of shareholding and voting rights in the Company held by major shareholders

	31 December 2024		31 December 2023	
	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 6(1).

##### (3) Information of associates

The information of associates is set out in Note 5(13).



## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

#### 8 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.(hereinafter referred to as "Chongqing Changan")	Shareholder of JIC
Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	Controlled by JMCG
Jiangxi JMCG Industry Co., Ltd.	Controlled by JMCG
JMCF	Controlled by JMCG
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Controlled by JMCG
Jiangxi Jiangling Lear Interior System Co., Ltd.	Controlled by JMCG
Jiangxi Lingrui Recycling Resources Development Corporation	Controlled by JMCG
Jiangxi Jiangling Chassis Co., Ltd.	Controlled by JMCG
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Controlled by JMCG
Jiangling Material Co., Ltd.	Controlled by JMCG
JMCG Property Management Co.	Controlled by JMCG
JMCG Jiangxi Engineering Construction Co., Ltd.	Controlled by JMCG
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Controlled by JMCG
Jiangling Aowei Automobile Spare Part Co., Ltd.	Controlled by JMCG
Nanchang JMCG Shishun Logistics Co., Ltd.	Controlled by JMCG
Nanchang Lianda Machinery Co., Ltd.	Controlled by JMCG
JMCG Jingma Motors Co., Ltd.	Controlled by JMCG
Jiangxi JMCG Shangrao Industrial Co.,Ltd.	Controlled by JMCG
Nanchang Unistar Electric & Electronics Co., Ltd.	Controlled by JMCG
Jiangxi ISUZU Engine Co., Ltd.	Controlled by JMCG
Jiangxi ISUZU Co., Ltd.	Controlled by JMCG
Nanchang Hengou Industry Co., Ltd.	Controlled by JMCG
Nanchang Jiangling Group Frame Co., Ltd	Controlled by JMCG
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Controlled by JMCG
Jiangling Motor Electricity Vehicle Co., Ltd.	Controlled by JMCG
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Controlled by JMCG
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Controlled by JMCG
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Controlled by JMCG
Nanchang Gear Forging Co.,Ltd.	Controlled by JMCG
Jiangxi JMCG Boya brake system Co., Ltd.	Controlled by JMCG
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Controlled by JMCG
Jiangxi Jiangling group Fuxin Auto Parts Co., Ltd.	Controlled by JMCG
Nanchang JMCG Xinchun Auto Component Co., Ltd.	Controlled by JMCG
Ford Motor (China) Co., Ltd.	Controlled by Ford
Ford Trading Company, LLC	Controlled by Ford
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Controlled by Ford
Ford Global Technologies, LLC	Controlled by Ford
Ford Vietnam Limited	Controlled by Ford
Ford Motor Co. Thailand Ltd.	Controlled by Ford
Auto Alliance (Thailand) Co., Ltd.	Controlled by Ford
Ford Electric Mach Technology (Nanjing) Co., Ltd.	Controlled by Ford
Ford Otomotiv Sanayi A.S.	Joint venture of Ford
Changan Ford Automobile Co., Ltd.	Joint venture of Ford

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

#### 8 Related parties and related party transactions (Cont'd)

##### (4) Information of other related parties

	Relationship with the Group
China Changan Group Tianjin Sales Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Chongqing Anfu Vehicle Marketing Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Chongqing Anbo Vehicle Sales Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Controlled by Ultimate Holding Company of Chongqing Changan
Guizhou Wanjia Automobile Sales and Service Co. LTD	Controlled by Ultimate Holding Company of Chongqing Changan
Nanchang Yinlun Heat-exchanger Co., Ltd.	Joint venture 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
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Associate of JMCG
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Associate of JMCG
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Associate of JMCG
Jiangxi Lingyun Automobile Industry Technology Co., Ltd.	Associate of JMCG
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Associate of JMCG
Dibao transportation equipment (Nanchang) Co., Ltd.	Associate of JMCG

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 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:

	Nature of related party transactions	2024	2023
Ford	Purchase of automobile parts	1,400,778,072	209,574,211
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of automobile parts	1,263,327,476	1,073,623,228
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of automobile parts	1,213,283,975	1,234,830,816
Jiangxi Jiangling Chassis Co., Ltd.	Purchase of automobile parts	868,277,838	671,593,708
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	Purchase of raw and auxiliary materials	820,314,741	742,956,579
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Purchase of automobile parts	803,875,765	676,134,340
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase of automobile parts	759,463,783	739,454,498
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of automobile parts	544,252,769	502,323,040
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of automobile parts	368,113,693	330,845,695
Nanchang Unistar Electric & Electronics Co., Ltd.	Purchase of automobile parts	228,332,729	279,622,115
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Purchase of automobile parts	222,487,974	318,072,152
Jiangxi Lingyun Automobile Industry Technology Co., Ltd.	Purchase of automobile parts	195,120,129	196,007,909
Nanchang JMCG Shishun Logistics Co., Ltd.	Purchase of automobile parts	181,101,384	192,633,046
Changan Ford Automobile Co., Ltd.	Purchase of automobile parts	178,623,753	29,984,492
Hanon Systems	Purchase of automobile parts	148,048,317	145,092,844
Ford Motor Co. Thailand Ltd.	Purchase of automobile parts	139,753,289	5,025,699
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Purchase of automobile parts	135,512,745	115,360,810
Nanchang Yinlun Heat-exchanger Co., Ltd.	Purchase of automobile parts	117,276,155	115,311,831
Dibao Transportation Equipment (Nanchang) Co., Ltd.	Purchase of automobile parts	106,869,480	60,792,520
JMCG	Purchase of automobile parts	77,426,792	5,567,401
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	Purchase of automobile parts	64,642,915	69,811,815
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of automobile parts	49,607,876	29,236,531
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	Purchase of automobile parts	42,443,490	35,254,361
Jiangxi Lingrui Recycling Resources Development Corporation	Purchase of raw and auxiliary materials	33,427,557	34,228,198
Nanchang Lianda Machinery Co., Ltd.	Purchase of automobile parts	32,400,213	36,590,311

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 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(Cont'd):

Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	Purchase of raw and auxiliary materials	30,611,533	21,306,073
Jiangxi JMCG Boya brake system Co., Ltd.	Purchase of automobile parts	28,423,858	21,152,868
Jiangxi JMCG Shangrao Industrial Co.,Ltd.	Purchase of automobile parts	26,325,532	3,640,870
Jiangxi Jiangling Group Fuxin Auto Parts Co., Ltd	Purchase of automobile parts	22,436,081	12,877,795
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	Purchase of automobile parts	14,178,898	10,792,593
Jiangling Aowei Automobile Spare Part Co., Ltd.	Purchase of automobile parts	10,685,318	11,810,460
Nanchang JMCG Xinchun Auto Component Co., Ltd.	Purchase of automobile parts	6,604,035	6,916,734
Auto Alliance (Thailand) Co., Ltd.	Purchase of automobile parts	5,441,378	23,272,017
Jiangxi ISUZU Engine Co., Ltd.	Purchase of automobile parts	2,908,662	5,902,036
Jiangling Motor Holdings Co., Ltd	Purchase of automobile parts	2,741,332	4,416,533
Nanchang Gear Forging Co., Ltd.	Purchase of automobile parts	2,563,330	1,700,955
Ford Otomotiv Sanayi A.S.	Purchase of automobile parts	1,867,906	6,124,706
JMCG Jingma Motors Co., Ltd.	Purchase of automobile parts	1,718,914	887,114
Nanchang Jiangling Group Frame Co., Ltd	Purchase of automobile parts	1,000,762	-
Jiangling Material Co., Ltd.	Purchase of raw and auxiliary materials	-	9,453,368
		<u>10,152,270,449</u>	<u>7,990,182,272</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.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**8 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:

	Nature of related party transactions	2024	2023
Nanchang JMCG Shishun Logistics Co., Ltd.	Transportation, cartage fees, etc.	291,458,533	279,310,486
Ford Global Technologies, LLC	Trademark management fees, technology development	228,664,502	230,160,051
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Design fees, personnel costs	135,795,642	194,494,776
JMCG Jiangxi Engineering Construction Co., Ltd.	Engineering construction	120,556,432	15,415,319
Ford	Technical services and personnel costs	85,994,180	54,350,740
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Cartage fees, storage fees, etc.	64,392,144	80,922,767
Ford Motor (China) Co., Ltd.	Design fees, personnel costs, etc.	41,382,841	59,693,175
Jiangxi JMCG Industry Co., Ltd.	Meal fees	33,349,736	32,267,146
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Agency fees, advertising fees, etc.	17,326,503	16,523,698
JMCG Property Management Co.	Property fees, etc.	14,600,286	10,527,990
JMCG	Labour costs, rental fees, etc.	4,087,090	4,843,455
China Changan Group Tianjin Sales Co., Ltd.	Promotion expenses	3,394,286	2,172,513
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Promotion expenses	3,021,024	1,821,952
Chongqing Changan Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Personnel costs	2,574,845	2,394,350
Chongqing Anfu Vehicle Marketing Co., Ltd.	Promotion expenses	2,522,662	1,375,979
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Promotion expenses	2,491,320	1,941,436
Ford Otomotiv Sanayi A.S.	Promotion expenses	1,509,142	408,775
JMCG Jingma Motors Co., Ltd.	Technical services and technical development	1,215,889	7,096,986
Changan Ford Automobile Co., Ltd.	Promotion expenses	1,124,348	386,767
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Service fees, labour costs, etc.	703,553	4,654,227
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Promotion expenses	629,673	1,471,768
Magna PT Powertrain (Jiangxi) Co., Ltd.	Promotion expenses	368,012	1,112,059
	Design fees, experimental costs	37,220	2,418,126

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 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:

	Nature of related party transactions	2024	2023
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Repair Expense	-	1,000,000
		<u>1,057,199,863</u>	<u>1,006,764,541</u>

The Group's pricing on services received from related parties is based on the agreed price by both parties.

Sales of goods and provision of services:

	Nature of related party transactions	2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Sales of vehicles and accessories, etc.	10,827,024,547	9,195,254,309
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	Sales of vehicles, etc.	158,841,415	233,284,195
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Sales of vehicles and accessories	147,776,860	117,122,584
JMCG Jingma Motors Co., Ltd.	Sales of vehicles and accessories, etc.	123,316,338	138,140,667
Chongqing Anfu Vehicle Marketing Co., Ltd.	Sales of vehicles and accessories	108,989,648	59,076,555
China Changan Group Tianjin Sales Co., Ltd.	Sales of vehicles and accessories	103,326,239	53,741,159
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	98,609,717	52,044,606
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	Sales of accessories, etc.	84,009,526	804,119
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of waste materials, etc.	70,715,213	61,983,828
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	60,983,086	57,023,957
Jiangxi Jiangling Chassis Co., Ltd.	Sales of accessories	31,378,213	41,569,726
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	Sales of accessories	30,704,569	16,554,633
Jiangxi ISUZU Engine Co., Ltd.	Sales of accessories	30,660,694	30,991,252
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Sales of vehicles and accessories	26,328,071	8,541,781
Nanchang Hengou Industry Co., Ltd.	Sales of accessories, etc.	22,279,648	13,346,388
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Sales of vehicles and accessories	21,765,371	33,140,757
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Sales of accessories	21,492,252	3,379,221
Jiangxi Jiangling Lear Interior System Co., Ltd.	Sales of accessories	19,454,493	20,799,067
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Sales of accessories	16,742,013	11,140,167

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 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):

	Nature of related party transactions	2024	2023
Jiangxi ISUZU Co., Ltd.	Sales of accessories	15,463,036	30,173,657
Beijing Baiwang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	11,338,763	24,605,654
Guizhou Wanjia Automobile Sales and Service Co. LTD	Sales of vehicles and accessories	7,641,217	19,961,873
Beijing Beifang Changfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	4,620,426	19,437,596
Jiangxi JMCG Industry Co., Ltd.	Sales of accessories and waste materials	3,756,352	3,024,062
Jiangling Motor Electricity Vehicle Co., Ltd.	Sales of accessories	1,172,369	762,856
Nanchang Lianda Machinery Co., Ltd.	Sales of accessories	949,988	1,517,492
Magna PT Powertrain (Jiangxi) Co., Ltd.	Sales of accessories	817,800	1,036,350
JMCG	Sales of accessories, labor costs	283,636	1,746,828
Jiangling Motor Holdings Co., Ltd.	labor costs	214,105	1,060,073
Dali Wanfu Vehicle Sales & Service Co., Ltd.	Sales of vehicles and accessories	140,934	20,415,905
Chongqing Anbo Vehicle Sales Co., Ltd.	Sales of vehicles and accessories	1,657	6,378,430
		<u>12,050,798,196</u>	<u>10,278,059,747</u>

The Group's pricing on goods sold to related parties is based on the agreed price by both parties.

(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	2024	2023
Jiangling Motor Holdings Co., Ltd.	Buildings	158,956	54,000
Jiangxi ISUZU Co., Ltd.	Buildings	6,480	-
		<u>165,436</u>	<u>54,000</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	2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Buildings	37,552,314	-
Ford Motor (China) Co., Ltd	Buildings	608,092	-
JMCG	Buildings	364,586	27,245,841
		<u>38,524,992</u>	<u>27,245,841</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(5) Related party transactions (Cont'd)

(b) Leases(Cont'd)

(iii) Interest costs on lease liabilities in the current year with the Group as the lessee:

	Type of the leased asset	2024	2023
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Buildings	998,142	247,082
JMCG	Buildings	503,840	251,975
Ford Motor (China) Co., Ltd	Buildings	11,845	-
		<u>1,513,827</u>	<u>499,057</u>

(c) Guarantee received

Guarantor	Guaranteed amount	Starting date	Ending date	Fully performed or not
JMCF	1,412,180	5 March 2001	30 October 2029	Not fully performed

In 2024, JMCF provided guarantees for some bank borrowings of the Group, with a maximum guarantee limit of USD2,282,123. As at 31 December 2024, JMCF provided borrowing guarantee to the bank borrowing of USD196,453, equivalent to RMB1,412,180 (31 December 2023: USD261,937 equivalent to RMB1,855,219) for the Group.

(d) Transfer of assets

	Nature of related party transactions	2024	2023
JMCG Jingma Motors Co., Ltd.	Sales of fixed assets	44,381	-
Jiangxi JMCG Industry Co., Ltd.	Sales of fixed assets	4,442	-
Jiangxi Lingrui Recycling Resources Development Corporation	Sales of fixed assets	-	133,360
		<u>48,823</u>	<u>133,360</u>

The pricing on transfer of assets between the Group and related parties is based on the agreed price by both parties.

(e) Purchase of assets

	Nature of related party transactions	2024	2023
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	Purchase of fixed assets	34,995,383	33,005,751
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	Purchase of fixed assets	24,446,632	48,867,431
Nanchang JMCG Liancheng Auto Component Co., Ltd.	Purchase of fixed assets	5,003,929	15,020,583
JMCG Jingma Motors Co., Ltd.	Purchase of fixed assets	3,928,253	-
Jiangxi Jiangling Lear Interior System Co., Ltd.	Purchase of fixed assets	2,693,550	1,071,960



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(5) Related party transactions (Cont'd)

(e) Purchase of assets (Cont'd)

Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	Purchase of fixed assets	2,210,790	-
Magna PT Powertrain (Jiangxi) Co., Ltd.	Purchase of fixed assets	1,952,878	4,050,000
Jiangxi JMCG Specialty Vehicles Co., Ltd.	Purchase of fixed assets	135,036	553,857
		<u>75,366,451</u>	<u>102,569,582</u>

The pricing on purchase of assets between the Group and related parties is based on the agreed price by both parties.

(f) Provision of technology sharing and distribution service

	Nature of related party transactions	2024	2023
Ford Electric Mach Technology (Nanjing) Co., Ltd	Technical service	199,272,148	-
Ford Motor (China) Co., Ltd.	Distribution and technical service	24,096,419	28,210,737
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	Technical service	23,758,214	79,761,786
Ford Vietnam Limited	Technical service	22,710,000	12,700,000
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	Technical service	20,450,200	12,130,959
Nanchang Hengou Industry Co., Ltd.	Technical service	4,557,500	-
Ford Trading Company, LLC	Technical service	2,770,000	1,509,518
Jiangxi ISUZU Co., Ltd.	Technical service	-	3,990,000
Ford	Technical service	-	3,313,725
		<u>297,614,481</u>	<u>141,616,725</u>

The Group's pricing on technology sharing provided to related parties is based on the agreed price by both parties.

(g) Remuneration of key management

	2024	2023
Remuneration of key management	<u>14,163,069</u>	<u>12,564,194</u>

(h) Interest income

	2024	2023
JMCF	<u>18,455,436</u>	<u>15,036,500</u>

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(5) Related party transactions (Cont'd)

(h) Interest income (Cont'd)

Cash at bank of the Group deposited with JMCF was calculated based on the bank annual interest rate for RMB deposit of 1.35% to 2.25% over the same period (2023: 0.455% to 2.25%).

(i) Interest expenses

	2024	2023
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	120,000	120,000
Nanchang JMCG Shishun Logistics Co., Ltd.	30,000	30,000
	<u>150,000</u>	<u>150,000</u>

(j) Purchase of CAFC credit and NEV credit

	2024	2023
Jiangling Motor Holdings Co., Ltd.	-	233,811

(k) Funds borrowed in

	2024	2023
Ford Motor (China) Co., Ltd.	<u>85,750,000</u>	<u>-</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**8 Related parties and related party transactions (Cont'd)**

(6) Receivables from and payables to related parties

	31 December 2024		31 December 2023	
	Amount	Provision for bad debts	Amount	Provision for bad debts
Accounts receivable				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	2,984,138,301	6,078,032	2,681,807,388	5,431,789
Jiangxi JMCG Specialty Vehicles Co., Ltd.	55,452,936	17,776	39,985,715	48,790
JMCG Jingma Motors Co., Ltd.	33,013,773	99,416	32,388,453	106,014
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	19,871,496	59,614	304,992	915
Ford Electric Mach Technology (Nanjing) Co., Ltd	7,673,176	23,020	-	-
Jiangxi ISUZU Engine Co., Ltd.	7,314,839	21,945	9,873,973	29,622
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	6,455,121	1,920	7,564,961	9,076
Ford Motor (China) Co., Ltd.	6,304,028	18,912	4,507,064	13,521
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	5,182,808	15,548	1,275,203	3,826
Jiangxi Jiangling Lear Interior System Co., Ltd.	4,753,891	14,262	3,792,069	11,376
Ford Vietnam Limited	3,850,000	11,550	5,320,000	15,960
Nanchang JMCG Liancheng Auto Component Co., Ltd.	3,764,288	11,293	2,938,482	8,815
Jiangxi ISUZU Co., Ltd.	3,720,130	11,160	11,507,006	34,521
Nanchang Hengou Industry Co., Ltd.	234,552	704	2,114,644	6,344
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	25,942	78	2,827,718	144,662
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	-	-	5,471,828	6,565
	<u>3,141,755,281</u>	<u>6,385,230</u>	<u>2,811,679,496</u>	<u>5,871,796</u>
Other receivables				
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	4,959,843	24,439	8,636,151	67,362
JMCG Jingma Motors Co., Ltd.	19,289	95	4,614,745	35,995
	<u>4,979,132</u>	<u>14,938</u>	<u>13,250,896</u>	<u>103,357</u>

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)****(6) Receivables from and payables to related parties (Cont'd)**

	31 December 2024	31 December 2023
Advances to suppliers		
Nanchang Baojiang Steel Processing Distribution Co., Ltd.	<u>82,972,689</u>	<u>144,390,937</u>
Financing receivables		
Jiangxi JMCG Specialty Vehicles Co., Ltd.	48,401,766	43,000,000
JMCG Jingma Motors Co., Ltd.	8,972,230	11,000,000
Jiangxi ISUZU Engine Co., Ltd.	5,496,370	1,264,651
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	2,079,413	-
Jiangxi ISUZU Co., Ltd.	<u>110,000</u>	<u>3,950,000</u>
	<u>65,059,779</u>	<u>59,214,651</u>
Cash at bank		
JMCF	<u>1,407,604,416</u>	<u>1,092,871,804</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(6) Receivables from and payables to related parties (Cont'd)

	31 December 2024	31 December 2023
Accounts payable		
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	636,898,853	526,325,735
Jiangxi Jiangling Lear Interior System Co., Ltd.	360,356,137	365,099,029
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	327,079,328	393,207,678
Jiangxi Jiangling Chassis Co., Ltd.	255,072,881	251,320,872
Ford	250,461,509	86,590,606
Magna PT Powertrain (Jiangxi) Co., Ltd.	213,711,414	271,344,575
Nanchang JMCG Liancheng Auto Component Co., Ltd.	185,528,237	202,046,109
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	178,167,668	194,714,700
Faurecia Emissions Control Technologies (Nanchang) Co., Ltd.	66,628,906	62,653,105
Nanchang JMCG Shishun Logistics Co., Ltd.	63,592,060	89,401,630
Dibao Transportation Equipment (Nanchang) Co., Ltd	55,834,503	28,378,407
Hanon Systems	50,706,474	28,561,752
Jiangxi Lingyun Automobile Industry Technology Co., Ltd	48,459,492	46,765,963
Nanchang JMCG SMR Huaxiang Mirror Co., Ltd.	43,878,807	34,028,487
JMCG	39,486,926	1,812,893
Nanchang Yinlun Heat-exchanger Co., Ltd.	37,417,773	33,494,753
Nanchang Unistar Electric & Electronics Co., Ltd.	30,195,971	64,278,792
Jiangxi Lingge Non-ferrous Metal Die-casting Co., Ltd.	28,707,639	33,447,909
Jiangxi JMCG Specialty Vehicles Co., Ltd.	26,610,602	22,470,866
Changan Ford Automobile Co., Ltd.	23,802,841	5,740,862
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	19,674,440	10,453,228
Jiangxi Lingrui Recycling Resources Development Corporation	11,463,008	19,443,919
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	11,243,955	-
Nanchang Lianda Machinery Co., Ltd.	10,731,546	13,769,421
Jiangxi JMCG Boya brake system Co., Ltd.	9,558,647	8,114,273
Jiangxi Mingfang Auto Parts Industry Co., Ltd.	8,944,064	3,734,394
Jiangxi JMCG Shangrao Industrial Co.,Ltd.	7,115,719	3,108,061
Ford Motor Co. Thailand Ltd.	6,940,038	2,269,745
Jiangling Aowei Automobile Spare Part Co., Ltd.	6,042,853	6,868,703
Jiangxi Jiangling Group Fuxin Auto Parts Co., Ltd.	3,726,062	1,485,717
Nanchang JMCG Xinchun Auto Component Co., Ltd.	2,979,179	3,571,782
Jiangling Automobile Group (Nanchang) Fushan Energy Co., Ltd.	2,922,507	2,102,733
Jiangxi ISUZU Engine Co., Ltd.	2,758,942	77,822
JMCG Jingma Motors Co., Ltd.	2,606,028	887,114
Nanchang Jiangling Group Frame Co., Ltd	1,091,724	-
Jiangling Motor Holdings Co., Ltd.	-	6,295,798
	3,030,396,733	2,823,867,433

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(6) Receivables from and payables to related parties (Cont'd)

	31 December 2024	31 December 2023
Other payables		
Ford Motor (China) Co., Ltd.	144,907,458	16,138,211
Ford	69,903,294	91,949,142
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	61,846,021	33,884,078
Ford Global Technologies, LLC	57,533,353	66,643,015
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	51,837,372	44,553,591
Nanchang Jiangling HuaXiang Auto Components Co., Ltd.	35,565,451	23,662,480
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	27,838,079	10,086,404
Nanchang JMCG Shishun Logistics Co., Ltd.	26,831,215	10,400,985
JMCG Jiangxi Engineering Construction Co., Ltd.	25,905,249	64,113,619
JMCG Property Management Co.	8,466,756	6,473,088
Jiangxi JMCG Specialty Vehicles Sales Corporation, Ltd.	8,431,243	4,420,456
JMCG	7,636,166	2,445,557
Jiangxi JMCG Specialty Vehicles Co., Ltd.	5,772,611	5,072,940
Jiangxi Zhonglian Intelligent Logistics Co., Ltd.	5,703,062	2,724,194
Jiangxi JMCG Industry Co., Ltd.	3,000,344	3,100,412
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	2,937,977	1,696,615
Chongqing Changan	2,574,845	2,394,350
Nanchang JMCG Liancheng Auto Component Co., Ltd.	1,908,156	8,149,662
Jiangxi Jiangling Chassis Co., Ltd.	1,681,716	708,124
Jiangxi Jiangling Lear Interior System Co., Ltd.	1,518,633	55,243
Magna PT Powertrain (Jiangxi) Co., Ltd.	1,488,027	982,719
Hanon Systems	765,000	1,283,100
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	653,129	2,565,523
Ford Otomotiv Sanayi A.S.	622,310	1,425,533
Changan Ford Automobile Co., Ltd.	206,904	1,010,529
	<u>555,534,371</u>	<u>405,939,570</u>
Contract liabilities		
Ford Electric Mach Technology (Nanjing) Co., Ltd	62,310,452	-
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	3,930,000	-
Nanchang Hengou Industry Co., Ltd.	1,860,835	197,651
Jiangxi Jiangling Special Purpose Vehicle Co., Ltd.	1,506,350	-
Jiangxi Jiangling Group Special Vehicle Co., Ltd.	1,436,028	3,028
Guizhou Wanjia Automobile Sales and Service Co. LTD	1,318,467	445,557
Guizhou Wanfu Vehicle Sales & Service Co., Ltd.	426,486	6,142,607
Chengdu Wanxing Vehicle Sales & Service Co., Ltd.	243,894	1,350,217
Chongqing Anbo Vehicle Sales Co., Ltd.	20,552	1,098,689
Ford Motor Research & Engineering (Nanjing) Co., Ltd.	-	23,208,214
	<u>73,053,064</u>	<u>32,445,963</u>
Lease liabilities		
Jiangxi Jiangling Motors Imp. & Exp. Co., Ltd.	30,593,850	1,390,961
JMCG	5,862,186	17,016,922
Ford Motor (China) Co., Ltd.	589,853	-
	<u>37,045,889</u>	<u>18,407,883</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**8 Related parties and related party transactions (Cont'd)**

(7) Commitments in relation to related parties

Capital commitments

	31 December 2024	31 December 2023
JMCG Jiangxi Engineering Construction Co., Ltd.	<u>6,640,100</u>	<u>11,134,108</u>

Guarantee of commitments in relation to related parties is set out in Note 8(5)(c).

**9 Contingencies**

As at 31 December 2024, the Group had no contingencies that needed to be disclosed in the notes to the financial statements.

**10 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 2024	31 December 2023
Buildings, machinery and equipment	<u>477,562,000</u>	<u>636,424,000</u>

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 11 Subsequent events

##### (1) Profit distribution

According to the resolution of the meeting of Board of Directors on 27 March 2025, the Board of Directors proposed to distribute cash dividends of RMB 0.712 per share to all shareholders, calculated on the basis of 863,214,000 issued shares, for a total of RMB 614,608,368.

#### 12 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 Audit Committee of the Group.

##### (1) Market risk

##### (a) Foreign exchange risk

The Group's major operational activities are carried out in the 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. As at 31 December 2024, the Group's borrowings denominated in foreign currencies were USD196,453, equivalent to RMB1,412,180. The Group's other accounts payable denominated in foreign currencies was USD10,881,474, equivalent to RMB78,220,386. The Group signed forward exchange contracts to mitigate the foreign exchange risk(Note 5(3), Note 5(30)).



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**12 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 RMB as at 31 December 2024 and 31 December 2023 as follows:

	31 December 2024		
	USD	EUR	Total
Financial asset denominated in foreign currency - Derivative financial asset	12,612,380	-	12,612,380
Financial liabilities denominated in foreign currency - Current portion of long- term borrowings	470,727	-	470,727
Long-term borrowings	941,453	-	941,453
Other payables	78,220,386	-	78,220,386
	<u>79,632,566</u>	<u>-</u>	<u>79,632,566</u>
	31 December 2023		
	USD	EUR	Total
Financial liabilities denominated in foreign currency - Derivative financial liabilities	459,306	-	459,306
Current portion of long- term borrowings	463,805	-	463,805
Long-term borrowings	1,391,414	-	1,391,414
Other payables	143,725,731	261,617	143,987,348
	<u>146,040,256</u>	<u>261,617</u>	<u>146,301,873</u>

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 12 Financial instrument and risk (Cont'd)

##### (1) Market risk (Cont'd)

##### (a) Foreign exchange risk (Cont'd)

As at 31 December 2024, for various types of foreign currency financial assets and foreign currency financial liabilities, if RMB appreciates or depreciates by 10% against the US dollar, and other factors remain unchanged, the Group will increase or decrease its total profit by approximately RMB6,702,019 (31 December 2023: approximately RMB14,630,187)

##### (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 2024, the Group's short-term borrowings of RMB1,500,000,000 (31 December 2023: RMB1,300,000,000) were fixed-rate borrowings, and long-term borrowings of USD196,453 (31 December 2023: USD261,937) were fixed-rate contracts, therefore there was no significant cash flow interest rate risk.

The Group continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing, and therefore could have a material adverse effect on the Group's financial performance. Management makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During 2024 and 2023, the Group did not enter into any interest rate swap agreements.

As at 31 December 2024 and 31 December 2023, 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 large or medium 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.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**12 Financial instrument and risk (Cont'd)**

(2) Credit risk (Cont'd)

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 2024, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2023: 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.

As at the balance sheet date, the financial liabilities of the Group were analysed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2024				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	1,500,000,000	-	-	-	1,500,000,000
Accounts payable	10,061,223,944	-	-	-	10,061,223,944
Other payables	5,742,026,472	-	-	-	5,742,026,472
Lease liabilities	90,725,324	84,460,529	10,891,131	-	186,076,984
Long-term borrowings	490,144	483,082	476,023	-	1,449,249
	<u>17,394,465,884</u>	<u>84,943,611</u>	<u>11,367,154</u>	<u>-</u>	<u>17,490,776,649</u>
	31 December 2023				Total
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	
Short-term borrowings	1,304,453,333	-	-	-	1,304,453,333
Derivative financial liabilities	459,306	-	-	-	459,306
Accounts payable	9,476,215,223	-	-	-	9,476,215,223
Other payables	5,944,976,093	-	-	-	5,944,976,093
Lease liabilities	87,312,608	76,170,689	66,393,248	-	229,876,545
Long-term borrowings	13,361,423	482,936	945,003	-	14,789,362
	<u>16,826,777,986</u>	<u>76,653,625</u>	<u>67,338,251</u>	<u>-</u>	<u>16,970,769,862</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**12 Financial instrument and risk (Cont'd)**

(3) Liquidity risk (Cont'd)

- (i) As at 31 December 2024, the Group did not have lease contracts that had been signed but had not yet been performed.

**13 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 2024, 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				
Derivative financial asset-				
Forward foreign exchange contracts	-	12,612,380	-	12,612,380
Financing receivables -				
Notes receivable	-	302,065,502	-	302,065,502
	-	314,677,882	-	314,677,882

As at 31 December 2023, 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 –				
Structured deposits	-	200,604,877	-	200,604,877
Financing receivables -				
Notes receivable	-	123,170,062	-	123,170,062
	-	323,774,939	-	323,774,939

As at 31 December 2023, 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 assets -				
Forward foreign exchange contracts		459,306		459,306

## JIANGLING MOTORS CORPORATION, LTD.

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### 13 Fair value estimates (Cont'd)

(1) Assets and liabilities measured at fair value on a recurring basis (Cont'd)

As at 31 December 2024, the Group had no continuing liabilities at fair value.

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 2024.

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.

(2) Assets measured at fair value on a non-recurring basis

As at 31 December 2024 and 31 December 2023, 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.

#### 14 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 2024 and 31 December 2023, the Group's equity ratio was as follows:

	31 December 2024	31 December 2023
Total borrowings	1,501,412,180	1,314,705,163
Total shareholders' equity	10,595,344,521	9,984,872,620
Equity ratio	<u>14%</u>	<u>13%</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements**

(1) Accounts receivable

	31 December 2024	31 December 2023
Accounts receivable	5,595,070,789	4,674,277,592
Less: Provision for bad debts	<u>(74,023,216)</u>	<u>(79,901,432)</u>
	<u>5,521,047,573</u>	<u>4,594,376,160</u>

(a) The aging of accounts receivable was analysed as follows:

	31 December 2024	31 December 2023
Within 1 year	5,415,107,619	4,490,861,735
Over 1 year	<u>179,963,170</u>	<u>183,415,857</u>
	<u>5,595,070,789</u>	<u>4,674,277,592</u>

As of December 31, 2024, accounts receivable with significant individual amounts and aging exceeding three years was analysed as follows:

	Balance	Reason and collection risk
SZFJ	74,049,026	The Company evaluates the receivables from its subsidiary, SZFJ, on an individual basis. Based on the judgment of credit risk, these receivables were not subject to significant credit risk and were not impaired.
Company1	66,796,993	Due to the operating difficulties of the defaulting company and several lawsuits involved, the Company considered that the receivables were difficult to collect and had therefore made full provision for bad debts.

(b) As at 31 December 2024, the top five accounts receivable ranked by the balances of the debtors were analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
The total amount of accounts receivable in the top five	<u>5,266,834,473</u>	<u>72,706,047</u>	<u>94.13%</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts

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

The provision for bad debts of accounts receivable was analysed by category as follows:

	31 December 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	2,294,478,118	41%	66,796,993	2.91%
Provision for bad debts on the grouping basis (ii)	3,300,592,671	59%	7,226,223	0.22%
	<u>5,595,070,789</u>	<u>100%</u>	<u>74,023,216</u>	<u>1.32%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	1,722,220,010	37%	72,230,000	4.19%
Provision for bad debts on the grouping basis (ii)	2,952,057,582	63%	7,671,432	0.26%
	<u>4,674,277,592</u>	<u>100%</u>	<u>79,901,432</u>	<u>1.71%</u>

(i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Provision for bad debts
Receivables from related parties within the Group i)	2,227,681,125	-	-
Receivables for automobiles ii)	66,796,993	100%	66,796,993
	<u>2,294,478,118</u>		<u>66,796,993</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Provision for bad debts
Receivables from related parties within the Group i)	1,649,990,010	-	-
Receivables for automobiles ii)	72,230,000	100%	72,230,000
	<u>1,722,220,010</u>		<u>72,230,000</u>

i) As at 31 December 2024, the Company's accounts receivable from subsidiary Jiangling Ford (Shanghai), SZFJ, GZFJ and JMCS were RMB1,453,456,415, RMB767,264,410, RMB6,960,300 and Nil (31 December 2023: RMB1,393,390,720, RMB148,630,266, nil and RMB107,969,024). The Company assessed the receivables from subsidiaries individually and based on the judgment of credit risk, the receivables from subsidiaries were not subject to significant credit risk and were not overdue and impaired.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

(1) Accounts receivable (Cont'd)

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

(i) Accounts receivable for which the provision for bad debts was provided on the individual basis were analysed follows (Cont'd):

ii) As at 31 December 2024, the Company assessed the expected credit losses of the relevant accounts receivable, which were expected to be unrecoverable, and therefore made a provision for bad debts in full amounting to RMB66,796,993 (31 December 2023: RMB72,230,000), which was included in the reversal of profit or loss of RMB5,433,007 (2023: no impact on profit or loss for the current period).

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

Grouping – Domestic sales of general automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	136,590,607	0.03%	40,628
Overdue for 1 to 30 days	840,000	0.55%	4,605
Overdue for 31 to 60 days	-	-	-
Overdue for 61 to 90 days	-	-	-
Overdue over 90 days	1,074,500	9.00%	96,705
	<u>138,505,107</u>		<u>141,938</u>

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	107,010,139	0.14%	154,326
Overdue for 1 to 30 days	14,613,810	0.29%	42,323
Overdue for 31 to 60 days	-	-	-
Overdue for 61 to 90 days	2,949,660	0.60%	17,698
Overdue over 90 days	6,048,500	5.64%	341,368
	<u>130,622,109</u>		<u>555,715</u>

Grouping – Export sales of general automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	2,933,133,292	0.20%	5,866,267



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 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 – Export sales of general automobiles(Cont'd):

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	2,647,787,903	0.20%	5,295,576

Grouping - Sales of new energy automobiles:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	563,760	80.00%	451,008

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Overdue over 90 days	1,563,760	80.00%	1,251,008

Grouping – Automobile parts:

	31 December 2024		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	202,384,142	0.30%	607,153
Overdue for 1 to 30 days	10,256,078	0.30%	30,768
Overdue for 31 to 60 days	8,788,453	0.50%	43,942
Overdue for 61 to 90 days	5,976,016	0.60%	35,856
Overdue over 90 days	985,823	5.00%	49,291
	228,390,512		767,010

	31 December 2023		
	Book balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Not overdue	168,672,852	0.30%	506,019
Overdue for 1 to 30 days	1,575,377	0.30%	4,726
Overdue for 31 to 60 days	190,620	0.50%	953
Overdue for 61 to 90 days	563,937	0.53%	3,384
Overdue over 90 days	1,081,024	5.00%	54,051
	172,083,810		569,133

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

- (1) Accounts receivable (Cont'd)
- (c) Provision for bad debts (Cont'd)
- (iii) The provision for bad debts reversed was RMB5,878,216 this year.
- (d) There was no provision for bad debts actually written off during the year.
- (e) As at 31 December 2024 and 31 December 2023, there were no accounts receivable pledged.

**(2) Other receivables**

	31 December 2024	31 December 2023
Receivables from Jiangling Ford (Shanghai)	89,250,000	-
Receivables from JMCH	14,542,410	9,679,410
Gas and electricity bills	18,531,901	12,769,141
Import working capital	3,900,523	7,000,000
Receivables from refund of social insurance	1,297,367	23,958,000
Others	17,315,330	18,770,714
	<u>144,837,531</u>	<u>72,177,265</u>
Less: Provision for bad debts	<u>(220,324)</u>	<u>(363,359)</u>
	<u>144,617,207</u>	<u>71,813,906</u>

The Company did not have any fund deposited at other parties under the centralised fund management and represented in other receivables.

- (a) The aging of other receivables was analysed as follows:

	31 December 2024	31 December 2023
Within 1 year	131,654,349	54,408,692
Over 1 year	13,183,182	17,768,573
	<u>144,837,531</u>	<u>72,177,265</u>

**JIANGLING MOTORS CORPORATION, LTD.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

(2) Other receivables (Cont'd)

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

The provision for bad debts of other receivables were analysed by category as follows:

	31 December 2024			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	105,089,777	73%	-	-
Provision for bad debts on the grouping basis (ii)	39,747,754	27%	220,324	0.55%
	<u>144,837,531</u>	<u>100%</u>	<u>220,324</u>	<u>0.15%</u>

	31 December 2023			
	Book balance		Provision for bad debts	
	Amount	% of total balance	Amount	Provision ratio
Provision for bad debts on the individual basis (i)	33,637,410	47%	-	-
Provision for bad debts on the grouping basis (ii)	38,539,855	53%	363,359	0.94%
	<u>72,177,265</u>	<u>100%</u>	<u>363,359</u>	<u>0.50%</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 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):

	Stage 1				Total Provision for bad debts
	12-month ECL (grouping)		12-month ECL (individual)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
31 December 2023	38,539,855	363,359	33,637,410	-	363,359
Increase in the current year	1,207,899	-	71,452,367	-	-
Bad debt provision increased in the current year	-	(143,035)	-	-	(143,035)
31 December 2024	<u>39,747,754</u>	<u>220,324</u>	<u>105,089,777</u>	-	<u>220,324</u>

As at 31 December 2024 and 31 December 2023, 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 2024 and 31 December 2023, the Company's other receivables with provision for bad debts on the individual basis were analysed below:

Stage 1	31 December 2024			
	Book balance	12-month ECL rates	Provision for bad debts	Reason
Receivables from Jiangling Ford (Shanghai)	89,250,000	-	-	i)
Receivables from JMCH	14,542,410	-	-	ii)
Receivables from refund of social insurance	1,297,367	-	-	
	<u>105,089,777</u>	-	-	
Stage 1	31 December 2023			
	Book balance	12-month ECL rates	Provision for bad debts	Reason
Receivables from refund of social insurance	23,958,000	-	-	ii)
Receivables from JMCH	9,679,410	-	-	ii)
	<u>33,637,410</u>	-	-	

The Company assessed the receivables from refund of social insurance individually and based on the judgment of credit risk, the receivables were not subject to significant credit risk and were not overdue and impaired.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 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 2024 and 31 December 2023, 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:

As at 31 December 2024, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the grouping basis:				
Gas and electricity bills	18,531,901	0.49%	91,314	ECL
Import working capital	3,900,523	0.49%	19,219	ECL
Others	17,315,330	0.63%	109,791	ECL
	<u>39,747,754</u>		<u>220,324</u>	

As at 31 December 2023, the Company's other receivables with provision for bad debts on the grouping basis were analysed below:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Provision on the grouping basis:				
Gas bills	12,769,141	0.78%	99,406	ECL
Import working capital	7,000,000	0.78%	54,494	ECL
Others	18,770,714	1.23%	209,459	ECL
	<u>38,539,855</u>		<u>363,359</u>	

(c) The reversed provision for bad debts in the current year amounted to RMB143,035.

(d) There was no provision for bad debts written off during the year.

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**15 Notes to the Company's financial statements (Cont'd)**

(2) Other receivables (Cont'd)

(e) As at 31 December 2023, the top five other receivables ranked by remaining balances were analysed as follows:

	Nature	Balance	Aging	% of total balance	Provision for bad debts
Company 1	Receivables from subsidiaries	89,250,000	within 1 year	62%	-
Company 2	Receivables from subsidiaries	14,542,410	Over 1 year	10%	-
Company 3	Gas bills	11,116,201	within 1 year	8%	54,774
Company 4	Electricity bills	7,415,700	within 1 year	5%	36,540
Company 5	Import working capital	4,959,843	within 1 year	3%	24,439
		<u>127,284,154</u>		<u>88%</u>	<u>115,753</u>

(3) Long-term equity investments

	31 December 2024	31 December 2023
Subsidiaries (a)	2,858,943,493	2,858,943,493
Associates (b)	214,449,021	228,949,338
	<u>3,073,392,514</u>	<u>3,087,892,831</u>
Less: Provision for impairment of long-term equity investments for subsidiaries	(2,301,440,553)	(2,301,440,553)
Provision for impairment of long-term equity investments for associates	-	-
	<u>(2,301,440,553)</u>	<u>(2,301,440,553)</u>
	<u>771,951,961</u>	<u>786,452,278</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

**15 Notes to the Company's financial statements (Cont'd)**

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

(a) Subsidiaries

	Movements for the current year			Ending balance of provision for impairment	Cash dividends declared this year	31 December 2024 Carrying amount
	31 December 2023	Additional investments	31 December 2024			
	Gross amount		Gross amount			
JMCH	2,686,943,493	-	2,686,943,493	(2,301,440,553)	-	385,502,940
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)	102,000,000	-	102,000,000	-	-	102,000,000
	<u>2,858,943,493</u>	<u>-</u>	<u>2,858,943,493</u>	<u>(2,301,440,553)</u>	<u>-</u>	<u>557,502,940</u>

(b) Associates

	Movements for the current year					31 December 2024	Shareholding (%)	Voting rights (%)	Impairment provision	
	31 December 2023	Increase in the current year	Share of net profit/(loss) under equity method	Cash dividends declared	Provision for impairment				31 December 2024	31 December 2023
The Power Company Hanon	197,478,595	-	(7,934,359)	-	-	189,544,236	40%	40%	-	-
Systems	31,470,743	-	(2,429,558)	(4,136,400)	-	24,904,785	19.15%	33.33%	-	-
Total	<u>228,949,338</u>	<u>-</u>	<u>(10,363,917)</u>	<u>(4,136,400)</u>	<u>-</u>	<u>214,449,021</u>			<u>-</u>	<u>-</u>

**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

(4) Revenue and cost of sales

	2024	2023
Revenue from main operations	36,161,828,891	31,312,349,157
Revenue from other operations	<u>1,775,252,124</u>	<u>1,261,348,664</u>
	<u>37,937,081,015</u>	<u>32,573,697,821</u>
	2024	2023 (Restated)
Cost of sales from main operations	31,639,833,312	27,134,648,221
Cost of sales from other operations	<u>826,412,561</u>	<u>399,770,964</u>
	<u>32,466,245,873</u>	<u>27,534,419,185</u>

(a) Revenue and cost of sales from main operations

	<u>2024</u>		<u>2023</u>	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations (Restated)
Sales of automobiles	34,499,542,516	30,387,053,997	29,654,470,683	25,880,865,976
Sales of automobile parts	1,582,877,952	1,173,438,528	1,647,789,284	1,244,446,197
Automobile maintenance services and others	<u>79,408,423</u>	<u>79,340,787</u>	<u>10,089,190</u>	<u>9,336,048</u>
	<u>36,161,828,891</u>	<u>31,639,833,312</u>	<u>31,312,349,157</u>	<u>27,134,648,221</u>

(b) Revenue and cost of sales from other operations

	<u>2024</u>		<u>2023</u>	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of materials	704,431,744	683,124,675	331,212,485	297,451,314
Others	<u>1,070,820,380</u>	<u>143,287,886</u>	<u>930,136,179</u>	<u>102,319,650</u>
	<u>1,775,252,124</u>	<u>826,412,561</u>	<u>1,261,348,664</u>	<u>399,770,964</u>



**JIANGLING MOTORS CORPORATION, LTD.**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**15 Notes to the Company's financial statements (Cont'd)**

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

(c) The breakdown of the Company's revenue by product and service transfer time was as follows:

	2024				Total
	Automobiles	Automobile parts	Automobile maintenance services, etc.	Materials and others	
Revenue from main operations	34,499,542,516	1,582,877,952	79,408,423	-	36,161,828,891
Including: Recognised at a time point	34,499,542,516	1,582,877,952	-	-	36,082,420,468
Recognised within a certain period	-	-	79,408,423	-	79,408,423
Revenue from other operations (i)	-	-	-	1,775,252,124	1,775,252,124
	<u>34,499,542,516</u>	<u>1,582,877,952</u>	<u>79,408,423</u>	<u>1,775,252,124</u>	<u>37,937,081,015</u>
	2023				Total
	Automobiles	Automobile parts	Automobile maintenance services	Materials and others	
Revenue from main operations	29,654,470,683	1,647,789,284	10,089,190	-	31,312,349,157
Including: Recognised at a time point	29,654,470,683	1,647,789,284	-	-	31,302,259,967
Recognised within a certain period	-	-	10,089,190	-	10,089,190
Revenue from other operations (i)	-	-	-	1,261,348,664	1,261,348,664
	<u>29,654,470,683</u>	<u>1,647,789,284</u>	<u>10,089,190</u>	<u>1,261,348,664</u>	<u>32,573,697,821</u>

(i) The Company's revenue from other operations includes sales of materials and technical service provided. Revenue from sales of materials is recognised at a certain time point, and revenue from technical service provided is recognised within a certain period.

As at 31 December 2024, the amount of revenue corresponding to the performance obligations that the Company had contracted but had not commenced or completed was RMB536,871,795, which the Company expected that would be recognised as revenue in 2025.

(5) Investment income

	2024	2023
Investment gain from forward exchange settlement	5,237,734	6,757,648
Losses on discount of financing receivables eligible for derecognition	(110,250)	(14,484,240)
Losses on long-term equity investments under equity method	(10,363,917)	(9,591,118)
	<u>(5,236,433)</u>	<u>(17,317,710)</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 2024**

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

**1 Statement of non-recurring profit or loss**

	2024	2023
Government grants recognised in profit or loss for the current period, except those that are closely related to ordinary activities and conform to the national policies and regulations, and are granted in accordance with certain standards and have a continuous impact on the Company's profit or loss	184,409,745	565,157,410
Gains or losses on disposal of non-current assets	665,549	(7,453,268)
Fund occupation fees received from non-financial institutions	4,766,151	11,289,415
Gains or losses arising from changes in fair value of financial assets and liabilities held, and gains or losses on disposal of related financial assets and liabilities, except for the effective hedging business related to the normal operation	22,603,584	6,052,713
Net amount of other non-operating income and expenses	(2,284,867)	6,379,649
Reversal of impairment charges for receivables that are tested separately for impairment	5,433,007	-
One-off expenses incurred due to discontinuation of related business activities	(2,060,316)	(11,097,866)
	<u>213,532,853</u>	<u>570,328,053</u>
Effect of income tax	(33,377,674)	(89,195,274)
Effect of gains or losses on minority interests (net of tax)	654,760	(772,350)
	<u>180,809,939</u>	<u>480,360,429</u>

(1) Basis for preparation of statement of non-recurring profit or loss for 2024

In 2023, the CSRC issued the *Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public - Non-recurring Profit or Loss (Revised in 2023)* (hereinafter "2023 Explanatory Announcement No. 1"), which came into effect from the date of promulgation.

Under the requirements in the 2023 Explanatory Announcement No. 1, non-recurring profit or loss refers to those 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 happen frequently that would have an influence on the financial statements users' making economic decisions based on the financial performance and profitability of an enterprise.

**JIANGLING MOTORS CORPORATION, LTD.****SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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

**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	
	2024	2023	2024	2023	2024	2023
Net profit attributable to ordinary shareholders of the Company	14.20%	15.06%	1.78	1.71	1.78	1.71
Net profit attributable to ordinary shareholders of the Company, net of non-recurring profit or loss	12.53%	10.16%	1.57	1.15	1.57	1.15