

Share's code: 000550 Share's Name: Jiangling Motors No.: 2025-042
200550 Jiangling B

Jiangling Motors Corporation, Ltd.
Public Announcement on Proposed Capital Increase
in the Controlled Subsidiary and Related Party Transactions

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

I. Brief Introduction of Related Party Transactions

i. Basic information of related party transactions

In order to meet the needs of the Company's passenger vehicle business development, Jiangling Motors Co., Ltd. (hereinafter referred to as "JMC" or "the Company"), Jiangling Motors Sales Co., Ltd. (a wholly-owned subsidiary of the Company), and Ford Motor Sales Service (Shanghai) Co., Ltd. (a wholly-owned subsidiary of Ford Motor Company) entered into the Distribution Service Contract for JMC Ford Brand Vehicles to authorize Ford Motor Sales Service (Shanghai) Co., Ltd. to provide full-scale distribution services for the Ford branded passenger vehicles and Ford branded pickups manufactured by JMC.

The Company planned to jointly increase capital with Ford Motor Company (hereinafter referred to as "Ford") at their original shareholding ratios to the Company's controlling subsidiary, Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. (hereinafter referred to as "Jiangling Ford (Shanghai)"). The Company will contribute RMB 126,378 million through debt-to-equity conversion, while Ford will invest RMB 121,422 in cash to settle the liabilities of Jiangling Ford (Shanghai). Upon completion of this capital increase, the Company will remain a 51% equity stake in Jiangling Ford (Shanghai), maintaining its current ownership ratio unchanged.

ii. Basic information of Related Relationships

Ford holds 32% of the Company's equity and is the second largest shareholder of the Company, therefore, the distribution services authorized by this time and the capital increase to the subsidiary constitute related party transactions.

iii. Relevant procedures to be performed for these transactions

1. These transactions have been reviewed and approved by the 2025 Second Special Meeting of the Independent Directors of the Company, and the Independent Directors unanimously agreed to submit it to the Board of Directors for review.

2. The Board of Directors of the Company reviewed and approved, in form of a paper meeting on September 22, 2025, the Distribution Service Contract for JMC Brand Vehicles among the Company, Jiangling Motor Sales Co., Ltd. and Ford Motor Sales Service (Shanghai) Co., Ltd., as well as the Revision and Restatement of the Joint Venture and Shareholders' Agreement of Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. (2025) between the Company and Ford. During the vote on the above-mentioned proposals, related Directors Mr. Shengpo Wu, Mr. Ryan Anderson, and Ms. Xiong Chunying withdrew from voting, while all the other Directors approved these proposals.

3. As the amount of capital increase to the subsidiary exceeds 5% of the Company's audited net assets at the end of last year, this capital increase transaction still needs to be submitted to the shareholders' meeting of the Company for approval.

4. These transactions do not constitute a material asset reorganization stipulated in Measures for the Administration of Material Asset Reorganization of Listed Companies promulgated by CSRC.

II. Distribution Service Contract for JMC Ford Brand Vehicles with Ford

i. Basic information about the parties to the Contract

1. Basic Information

Company Name: Ford Motor Sales Service (Shanghai) Co., Ltd.

Registration place: Unit 03, 36th Floor, Shanghai Information Tower, No. 211 Century Avenue, China (Shanghai) Pilot Free Trade Zone.

Date of establishment: April 12, 2019

Legal representative: Shengpo Wu

Enterprise Type: Limited Liability Company (wholly foreign-owned enterprise), a wholly owned subsidiary of Ford

Business Scope: Engineering and technical research and experimental development; sales of vehicles, new energy vehicles, auto parts, etc.

For information about Ford, please refer to the relevant introduction in the next section.

Company Name: Jiangling Motors Sales Co., Ltd.

Registration place: JMC Building, No. 2111 Yingbin Middle Avenue, Nanchang City, Jiangxi Province, People's Republic of China.

Date of establishment: October 11, 2013

Legal representative: Zhong Junhua

Enterprise Type: Limited Liability Company, a wholly owned subsidiary of the Company

Business Scope: Sales of vehicles and auto parts.

2. Financial condition

Please refer to the 2025 Half-year Report of JMC published by the Company on August 26, 2025 on the website www.cninfo.com.cn. for the financial data of Jiangling Motors Sales Co., Ltd.

3. Creditworthiness

According to the China Enforcement Information Publicity Network, Ford Motor Sales Service (Shanghai) Co., Ltd. and Jiangling Motors Sales Co., Ltd. are not persons subject to enforcement for dishonesty.

ii. Main contents of the Distribution Service Contract for JMC Brand Vehicles

1. JMC Contract Products means the JMC Ford Brand Vehicles, i.e. 'the localized Ford branded passenger vehicles and localized Ford branded pickup which have been and to be manufactured by JMC for China Market', as well as the parts and accessories used on the JMC Ford Brand vehicles, and the merchandise, the scheduled service program, extended warranty, and other derivative service products applicable to the JMC Ford Brand Vehicles.

2. As the entrepreneur of JMC Contract Products, JMC authorizes Ford Motor Sales Service (Shanghai) Co., Ltd. to provide full-scale Distribution Services as specified in this Contract in China Market, including the marketing, sales and service for the Contract Products, as well as the

business and operation activities related to dealer network establishment, management and adjustment. As Ford brand owner and Distribution Services provider, Ford Motor Sales Service (Shanghai) Co., Ltd. will implement a unified marketing and network management of the Ford Brand Dealer Network.

3. Jiangling Motors Sales Co., Ltd., as a wholly owned subsidiary of JMC, shall perform relevant clauses of this Contract based on JMC's authorization, including but not limited to the wholesale of the JMC Contract Products and making payment of the Distribution Services fee to Ford Motor Sales Service (Shanghai) Co., Ltd.

4. For the Distribution Services related to the Contract Products provided by Ford Motor Sales Service (Shanghai) Co., Ltd. under this Contract, JMC shall pay the relevant Distribution Services fee to Ford Motor Sales Service (Shanghai) Co., Ltd.

5. This Contract shall come into force on the date first written above and shall last until the end of life cycle of the JMC Ford Brand Vehicles.

Note: The estimated annual amount of the relevant Distribution Services fee payable to Ford Motor Sales Service (Shanghai) Co., Ltd. is expected to range from approximately RMB 250 million to RMB 300 million.

iii. Pricing policy for related party transactions

The service fee in this agreement is an agreement price, which shall be determined through cost accounting, quotation, and negotiation between the parties.

iv. Purpose of the related party transaction and its impact on the Company

The purpose of this related party transaction and its impact on the Company are detailed in the (v) of the following section: 'Purpose of the Vehicle Distribution Services Transaction and the Capital Increase to the Controlling Subsidiary with Ford as well as their Impact on the Company'.

III. Capital Increase to the Controlling Subsidiary

i. Basic information on related parties

1. Basic Information

Company Name: Ford Motor Company

Headquarter Location: Detroit, U.S.A.

Chairman: William Clay Ford, Jr.

Enterprise Type: a USA-based listed company

Business Scope: 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.

2. Financial condition

Audited financial data for the most recent year:

Unit: US\$ million

Item	December 31, 2024 (Audited)
Total assets	285,196
Total equity	44,835
	2024 (Audited)
Revenue	184,992
Net profit	5,894

3. Creditworthiness

According to the China Enforcement Information Publicity Network, Ford is not a person subject to enforcement for dishonesty.

ii Information on the target company of the related party transaction

1. Basic Information

Company Name: Jiangling Ford Automobile Technology (Shanghai) Co., Ltd.

Registered capital: RMB 200 million

Enterprise Type: Limited Liability Company (foreign investment, non-sole proprietorship)

Registration place: Unit 06, 36th Floor, No. 211 Century Avenue, China (Shanghai) Pilot Free Trade Zone.

Legal representative: Anderson Liu

Business Scope: Engineering and technology research and experimental development, sales of vehicles, new energy vehicles, auto parts, etc.

2. Financial condition

Financial data for the most recent year and period:

Unit: RMB '000

Item	December 31, 2024 (Audited)	June 30, 2025 (Unaudited)
Total assets	1,106,037.2	875,345.4
Total equity	-1,422,929.3	-1,421,149.7
	2024 (Audited)	First half of 2025 (Unaudited)
Revenue	5,322,618.2	1,667,276.8
Net profit	-677,473.9	1,779.6

Jiangling Ford (Shanghai) had total liabilities of RMB 2.296 billion as of June 30, 2025, of which RMB 1.47 billion is owed to JMC, mainly due to daily operations.

The audited report of Jiangling Ford (Shanghai) as of September 30, 2025 will be announced together with the notice convening the shareholders' meeting to approve this proposal.

3. Shareholding structure

The shareholding structure of Jiangling Ford (Shanghai) before and after the capital increase is as follows:

Company name	Amount of capital contribution before the capital increase	Equity ratio before the capital increase	Amount of the capital increase	Amount of capital contribution after the capital increase	Equity ratio after the capital increase
JMC	RMB 102 million	51%	RMB 1,263.78 million	RMB 1,365.78 million	51%
Ford	RMB 98 million	49%	RMB 1,214.22 million	RMB 1,312.22 million	49%
Total	RMB 200 million	100%	RMB 2,478 million	RMB 2,678 million	100%

4. Creditworthiness

According to the China Enforcement Information Publicity Network, Jiangling Ford (Shanghai) is not a person subject to enforcement for dishonesty.

iii. Pricing policy and basis for related party transactions

Given that a substantial portion of Jiangling Ford (Shanghai)'s liabilities consists of debts owed to the Company, the Company proposes to convert debt into equity. Ford proposes to inject additional capital into Jiangling Ford (Shanghai) in cash to settle the debts of Jiangling Ford (Shanghai). Before and after the capital increase, the equity structure of Jiangling Ford (Shanghai) remained unchanged, with the Company's shareholding ratio remaining at 51%. The transaction price is based on the newly added registered capital, which is fair and reasonable, and does not harm the interests of the Company or all the shareholders, especially minority shareholders.

iv. Main contents of the Revision and Restatement of the Joint Venture and Shareholders' Agreement of Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. (2025)

1. The total investment amount and registered capital of the Joint Venture Company will be RMB 2,678 million. JMC's contribution to the registered capital of the Joint Venture Company will be RMB 1,365.68 million, representing 51% of the Joint Venture Company's registered capital, which will be paid in RMB. Except for the RMB 102 million that has been paid as capital contribution in RMB as of the effective date, the remaining portion shall be contributed by way of debt-to-equity swap. Ford's contribution to the registered capital of the Joint Venture Company will be RMB 1,312.22 million, representing 49% of the Joint Venture Company's registered capital, which will be paid in US Dollars, RMB, or Hong Kong Dollars.

2. The Company has paid a capital contribution of RMB 102 million, and Ford has paid a capital contribution of RMB 98 million. The unpaid portions by each shareholder shall be fully paid within five years from the date of registration of the registered capital change of the Joint Venture Company. Specially, the Company shall complete the capital contribution of RMB 755 million through debt-to-equity conversion on the same date as Ford's capital contribution in 2025, while Ford shall complete its cash contribution of RMB 725 million by December 31, 2025. The remaining portion shall be allocated in instalments with specific payment schedules to be determined by unanimous decision of the Joint Venture's Board of Directors.

3. Commencing from October 1, 2025, the Joint Venture Company shall conduct business and activities related to the settlement of the Joint Venture Company's liabilities, as well as any other business and activities approved by the Board of Directors of the Joint Venture Company. The Joint Venture Company will be wound up and cancelled after the debt is settled.

4. From the date of execution of this Agreement, the Joint Venture Company shall have one President, one Vice President of Finance, and one Chief of Finance Department, who shall be appointed or dismissed by the Board of Directors of the Joint Venture Company.

Note: For the main content of the Joint Venture and Shareholder Agreement of Jiangling Ford Automotive Technology (Shanghai) Co., Ltd., please refer to the Public Announcement on Establishment of a Joint Venture with Related Part by Jiangling Motors Co., Ltd. published on September 27, 2021 in China Securities, Securities Times, Hong Kong Commercial Daily, and the website www.cninfo.com.cn.

v. Purpose of the Vehicle Distribution Services Transaction and the Capital Increase to the Controlling Subsidiary with Ford as well as their Impact on the Company

Based on a series of strategic considerations related to Jiangling Ford (Shanghai) and its business as well as the current situation of Jiangling Ford (Shanghai), the Company and Ford agree that it is necessary to:

1. Ford will strategically upgrade the dealer network managed by Jiangling Ford (Shanghai) and other China dealer networks authorized by the Ford brand, implementing unified marketing and channel management to simplify operations, eliminate redundancies, and expand sales and after-sales service coverage;
2. The Company entrusts Jiangling Motors Sales Co., Ltd. to wholesale all Ford brand passenger vehicles and Ford brand Pickups manufactured by the Company to dealers;
3. The Company engages a Ford subsidiary to provide full-scale distribution services for the Ford brand passenger vehicles and Ford brand Pickups manufactured by the Company;
4. The Company will convert debt into equity, and Ford will inject additional capital in cash into Jiangling Ford (Shanghai), according to the existing equity proportion, to settle its liabilities.

The aforementioned transactions and arrangements will help increase the sales volume of the Company's Ford brand passenger vehicles and Ford brand Pickups. The capital increase and debt settlement arrangements for Jiangling Ford (Shanghai) will have no impact on the total profit of the Company.

IV Details of all related party transactions that have occurred cumulatively with the related party

From the beginning of this year to the end of last month, the total amount of various related party transactions between the Company and Ford is approximately RMB 210 million.

V. Review of the Special Meeting of Independent Directors

The 2025 Second Special Meeting of the Independent Directors of the Company was held on September 16, 2025 to approve the Distribution Service Contract for JMC Ford Brand Vehicles among the Company, Jiangling Motor Sales Co., Ltd. and Ford Motor Sales Service (Shanghai) Co., Ltd., as well as the Revision and Restatement of the Joint Venture and Shareholders' Agreement of Jiangling Ford Automobile Technology (Shanghai) Co., Ltd. (2025) between the Company and Ford Motor Company, and issued the following review opinions:

- i. We have thoroughly reviewed the relevant content of the Distribution Service Contract for JMC Ford Brand Vehicles among the Company, Jiangling Motor Sales Co., Ltd., and Ford Motor Sales Service (Shanghai) Co., Ltd. After careful examination, we believe that the provisions in the agreement align with standard commercial principles and are fair and reasonable. We agreed to submit this proposal to the Board of Directors of the Company for review.

ii. Given that the majority of liabilities in the debt portfolio of Jiangling Ford (Shanghai) (a subsidiary of the Company) are owed to the Company, the Company will implement a debt-to-equity conversion, and Ford will inject additional capital into Jiangling Ford (Shanghai) in cash. These funds shall be allocated to settle the liabilities of Jiangling Ford (Shanghai). In the aforementioned capital increase arrangement, the related shareholder will contribute cash according to their shareholding ratios, which complies with the principle of fairness and reasonableness and does not harm the interests of the Company or its shareholders. We agree to submit this proposal to the Board of Directors of the Company for review.

IV. List of Documents for Reference

1. Review Opinions of Y2025 Second Special Meeting of the Independent Directors;
2. Resolutions of the Board of Directors of JMC.

It is hereby announced.

Board of Directors
Jiangling Motors Corporation, Ltd.
September 24, 2025