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慶鈴汽車股份有限公司

QINGLING MOTORS CO. LTD

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1122)

## ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

On 30 December 2021, the Company entered into the Supply Agreement with Bosch in respect of the supply of hydrogen-powered modules by Bosch to the Company.

As at the date of this announcement, Qingling Group is a substantial shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company and therefore is a connected person of the Company. Qingling Group is also holding approximately 40% of the equity interest of Bosch and therefore Bosch is also a connected person of the Company. Accordingly, the transactions contemplated under the Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the continuing connected transactions contemplated under the Supply Agreement, on an annual basis, are more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### THE SUPPLY AGREEMENT

Date	:	30 December 2021
Parties	:	Bosch; and the Company
Term	:	From 30 August 2021 (or the date on which the Supply Agreement complies with all relevant approval formalities and/or other approval procedures under the Listing Rules (if applicable), whichever is later) to 31 December 2022

Renewable upon expiry if agreed by both parties and having obtained the consent of the Stock Exchange and/or the approval of the shareholders subject to the requirements of the Stock Exchange and/or the Listing Rules (if necessary)

- Transaction : Supply of hydrogen-powered modules by Bosch to the Company
- Consideration : The parties agreed that the pricing policy shall be: (1) on an arm's length basis; (2) on normal commercial terms with the selling price being negotiated between the parties on an arm's length market basis and relative to industry benchmark prices and reflecting the quality of the hydrogen-powered modules; and (3) in compliance with, among other things, the Listing Rules and applicable laws

### **Proposed Annual Caps**

Pursuant to the Supply Agreement, it is expected that the aggregate transaction amounts for the years ending 31 December 2021 and 31 December 2022 will not exceed the following annual caps:

	<b>Annual caps (in RMB)</b>	
	<b>For the year ending 31 December 2021</b>	<b>For the year ending 31 December 2022</b>
The Supply Agreement	54,870,000	160,000,000

There were no previous transactions relating to the supply of hydrogen-powered modules by Bosch to the Company.

### **Basis of Proposed Annual Caps**

The above annual caps for the transactions under the Supply Agreement are determined by the Board with reference to: (i) the sales capacity of the Company and its subsidiaries; (ii) the expected sales volume of the hydrogen fuel cell vehicles of the Company from the effective date of the Supply Agreement to the end of 2022; and (iii) the market price of hydrogen-powered modules and their price trends.

## **Reasons for Entering into the Supply Agreement**

In the New Energy Vehicles Industry Development Plan (《新能源汽車產業發展規劃》) issued by the PRC government, the goal that the number of hydrogen fuel cell vehicles should reach 2 million by 2030 was set forth, while in the Guiding Opinions for the Development of Hydrogen Fuel Cell Vehicles Industry (《氫燃料電池汽車產業發展指導意見》) issued by the Chongqing municipal government, it was put forward that it should strive to achieve the goal that the number of hydrogen fuel cell vehicles used in regional public transportation, logistics and other fields should reach 1,500 by 2025. Moreover, Jiulongpo District government of the Chongqing municipality also proposed the plan to build hydrogen energy technology industrial parks and create a hydrogen valley in western PRC. To proactively adapt to the new energy revolution, be in line with the direction of the transformation and development of automotive industry and seize the market opportunities, the Company purchases hydrogen-powered modules from Bosch for assembling hydrogen fuel cell commercial vehicles.

The Directors (including the independent non-executive Directors) are of the view that the Supply Agreement is on normal commercial terms, and that its terms are fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

## **REQUIREMENTS UNDER THE LISTING RULES**

As at the date of this announcement, Qingling Group is a substantial shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company and therefore is a connected person of the Company. Qingling Group is also holding approximately 40% of the equity interest of Bosch and therefore Bosch is also a connected person of the Company. Accordingly, the transactions contemplated under the Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the annual caps for the continuing connected transactions contemplated under the Supply Agreement, on an annual basis, are more than 0.1% but less than 5%, such continuing connected transactions are subject to the reporting, announcement and annual review requirements set out in the Listing Rules but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

If the total annual amount of the transactions contemplated under the Supply Agreement is likely to exceed the respective annual caps or the threshold provided under Chapter 14A of the Listing Rules (as the case may be) or there is any material change to the Supply Agreement, the Company will take necessary steps to ensure compliance with all applicable rules under Chapter 14A of the Listing Rules.

## **GENERAL**

Bosch is principally engaged in the research and development, production, sales and service of hydrogen power systems.

The Company is principally engaged in the production and sales of Isuzu trucks, multipurpose vehicles, pick-up trucks, other vehicles and automobile parts and accessories.

Qingling Group is principally engaged in the manufacturing, sales and development of new products in relation to motor vehicles and their spare parts and accessories, and the provision of technical advisory services.

Mr. LUO Yuguang, the chairman of the Board, also being a director of the board of directors of Qingling Group, is considered to have a material interest in the transactions contemplated under the Supply Agreement. Mr. LUO Yuguang has abstained from voting on the resolutions in relation to the transactions contemplated under the Supply Agreement proposed to the Board. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Supply Agreement and therefore none of them are required to abstain from voting on the relevant board resolutions approving the same.

## **DEFINITIONS**

“Board”	the board of Directors of the Company
“Bosch”	Bosch Hydrogen Powertrain Systems (Chongqing) Co. Ltd. (博世氫動力系統(重慶)有限公司), a company established in the PRC with limited liability, principally engaged in the research and development, production, sale and service of hydrogen power systems
“Company”	Qingling Motors Co. Ltd, a sino-foreign joint venture joint stock limited company incorporated in the PRC with limited liability
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	the percentage ratios under Rule 14.07 of the Listing Rules, other than the profits ratio and equity capital ratio
“PRC”	the People’s Republic of China

“Qingling Group”	慶鈴汽車(集團)有限公司(Qingling Motors (Group) Co. Ltd*), a state-owned limited liability company established in the PRC and a controlling shareholder of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supply Agreement”	the hydrogen-powered modules supply agreement dated 30 December 2021 entered into between the Company and Bosch in relation to the supply of hydrogen-powered modules by Bosch to the Company

By Order of the Board  
**QINGLING MOTORS CO. LTD**  
**LUO Yuguang**  
*Chairman*

Chongqing, the PRC, 30 December 2021

*As at the date of this announcement, the Board comprises 11 Directors, of which Mr. LUO Yuguang, Mr. YASUTA Tatsuya, Mr. MASUDA Yoichi, Mr. YAGI Naoto, Mr. LI Juxing, Mr. XU Song and Mr. LI Xiaodong are executive Directors and Mr. LONG Tao, Mr. SONG Xiaojiang, Mr. LIU Tianni and Mr. LIU Erh Fei are independent non-executive Directors.*

\* *For identification purposes only*