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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)

(Stock Code: 1122)

ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION

On 19 December 2025, the Company and IEC entered into the Equipment Lease relating to the leasing of the Leased Equipment from the Company to IEC.

As at the date of this announcement, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company, and Isuzu is a substantial shareholder of the Company holding approximately 20% of the entire issued share capital of the Company. As at the date of this announcement, IEC is owned as to 50.61% by Isuzu, 30.06% by Qingling Group and 19.33% by the Company, respectively, thus IEC is a connected person of the Company. Accordingly, the transaction contemplated under the Equipment Lease constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the annual caps for the continuing connected transaction contemplated under the Equipment Lease are more than 0.1% but all of them are less than 5%, therefore, such continuing connected transaction is subject to the reporting, announcement and annual review requirements but is exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EQUIPMENT LEASE

Date : 19 December 2025

Parties : The Company; and

IEC

Term	:	Subject to fulfilment of all relevant approval procedures and/or other procedures in accordance with the Listing Rules (if applicable), from 1 September 2025 to 31 August 2028. Subject to the relevant laws, regulations and rules (including but not limited to the requirements of the Listing Rules), upon expiration of the lease term, if IEC wishes to extend the lease term, it shall notify the Company in writing one month prior to the expiration of the lease term, provided that the Company shall have the discretion to decide whether to approve IEC's request for renewal at that time.
Nature of the transaction	:	IEC will lease the Leased Equipment from the Company, including but not limited to the 4JZ engine manufacturing equipment.
Consideration	:	The rent of the Leased Equipment is RMB797,479.49 per month (representing RMB9,569,753.88 per year) (exclusive of VAT), which shall be settled on a monthly basis. IEC shall pay the rent for the preceding month to the Company before the last day of each month. The above rent shall be adjusted accordingly by the parties in a timely manner if there is material change in the value and/or annual depreciation of the Leased Equipment during the lease term. If the production/sales volume of engines by IEC falls substantially below the target set out in IEC's annual operation plans, leading to obvious decreases in the operation utilisation rate of the Leased Equipment, the rent for the Leased Equipment shall be adjusted corresponding to the change in operation utilisation rate of the Leased Equipment accordingly.
Exclusive right of use and right of first refusal	:	IEC has exclusive right and right of first refusal to use the Leased Equipment, and shall assume corresponding obligations and responsibilities during the lease term. The Company shall not assign or lease all or any part of the Leased Equipment to any third parties, nor shall it impose any restrictive conditions (including guarantees) on the Leased Equipment, without the prior written consent of IEC during the lease term.
Upgrade and technical modification of the Leased Equipment	:	During the lease term, if IEC requires any upgrade and/or technical modification of all or any part of the Leased Equipment based on its production and operational needs, it shall notify the Company in writing of the targets proposed to be upgraded or modified, upgrade/modification methods, budget and other relevant information. The upgrade and/or technical modification of the Leased Equipment shall be carried out upon mutual agreement between the parties regarding the specific details and the related cost incurred therefrom shall be borne by the Company.

Following completion of the upgrade and/or technical modification of the Leased Equipment, the Company is entitled to adjust the rent of the Leased Equipment based on the actual expenditures of such upgrade and/or technical modification. The rate and mechanism of such adjustment shall be negotiated by the parties.

Annual caps

The Directors set the annual caps for the amounts to be received by the Company in respect of the transactions contemplated under the Equipment Lease for the relevant years as follows:

	Annual caps (in RMB)		
	For the year ending 31 August 2026	**For the year ending 31 August 2027**	**For the year ending 31 August 2028**
Equipment Lease	9,600,000	9,600,000	9,600,000

There were no previous transactions relating to the leasing of the Leased Equipment (namely the 4JZ engine manufacturing equipment) from the Company to IEC and therefore no historical transaction amount was incurred.

Basis of consideration and annual caps

The rent under the Equipment Lease is determined with reference to the market value of the Leased Equipment and the annual depreciation principles adopted under the Company's current accounting system.

The above annual caps for the Equipment Lease were determined based on the expected rents receivable by the Company under the Equipment Lease with reference to the market value of the Leased Equipment.

Reasons for entering into the Equipment Lease

Entering into the Equipment Lease facilitates the operation of the Group. The establishment of IEC aims to produce engines, therefore, the Group requires IEC to utilise the Leased Equipment in its daily engine production business for manufacturing and testing the products of the Group, which is beneficial to the Group's business, maximizes utilisation of the Group's resources and enables centralised management of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the consideration) of the Equipment Lease are fair and reasonable and on normal commercial terms, and that relevant transactions thereunder will be conducted in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company, and Isuzu is a substantial shareholder of the Company holding approximately 20% of the entire issued share capital of the Company. As at the date of this announcement, IEC is owned as to 50.61% by Isuzu, 30.06% by Qingling Group and 19.33% by the Company, respectively, thus IEC is a connected person of the Company. Accordingly, the transaction contemplated under the Equipment Lease constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated in respect of the annual caps for the continuing connected transaction contemplated under the Equipment Lease are more than 0.1% but all of them are less than 5%, therefore, such continuing connected transaction is subject to the reporting, announcement and annual review requirements but is exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

If the aggregate annual amount of the transactions contemplated under the Equipment Lease is likely to exceed the respective annual caps or should there be any material change to the Equipment Lease, the Company will take necessary steps to ensure compliance with all applicable requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company is principally engaged in the production and sales of light, medium and heavy truck, pick-up trucks, and automobile parts and accessories.

IEC is principally engaged in the manufacturing and sales of vehicle-used engines and their relevant parts.

Isuzu is principally engaged in the production and sales of commercial vehicles and diesel engines, whose shares are listed on the Tokyo Stock Exchange.

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. The ultimate beneficial owner of Qingling Group is the Chongqing State-owned Assets Supervision and Administration Commission.

Mr. LUO Yuguang and Mr. XU Song, both being the Directors, are also directors of Qingling Group. Mr. LUO Yuguang and Mr. XU Song have abstained from voting on the resolutions in relation to the transaction contemplated under the Equipment Lease proposed to the Board. Save as disclosed above, none of the Directors has a material interest in the transaction contemplated under the Equipment Lease and therefore none of them are required to abstain from voting on the relevant Board resolutions approving the same.

"Board"	the board of Directors
"Company"	Qingling Motors Co. Ltd, a Sino-foreign joint venture joint stock limited company incorporated in the PRC, the H shares of which are listed on the Stock Exchange (stock code: 1122)
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"IEC"	五十鈴(中國)發動機有限公司(Isuzu (China) Engine Co., Ltd.*) (formerly known as慶鈴五十鈴(重慶)發動機有限公司), a sino-foreign equity joint venture company established in the PRC with limited liability, which is owned as to 19.33%, 30.06% and 50.61% by the Company, Qingling Group and Isuzu, respectively, as at the date of this announcement
"Isuzu"	Isuzu Motors Limited, a company incorporated in Japan and listed on the Tokyo Stock Exchange and a substantial shareholder of the Company
"Equipment Lease"	the equipment lease dated 19 December 2025 entered into between the Company and IEC relating to the leasing of the Leased Equipment from the Company to IEC during the lease term
"Leased Equipment"	the 4JZ engine manufacturing equipment (which also includes related drawings, user manuals, maintenance handbooks, maintenance records and other information) owned by 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 profit 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 company established in the PRC with limited liability and the controlling shareholder of the Company

"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

By Order of the Board
Qingling Motors Co. Ltd
LUO Yuguang
Chairman and Executive Director

Chongqing, the PRC, 19 December 2025

As at the date of this announcement, the Board comprises 11 Directors, of which Mr. LUO Yuguang, Mr. NAKAMURA Koji, Mr. KIJIMA Katsuya, Mr. TSUKUI Mikio, Mr. XU Song, Mr. LI Juxing and Mr. LI Xiaodong are executive Directors and Mr. LONG Tao, Mr. SONG Xiaojiang, Mr. LIU Tianni and Ms. CHEN Yen Yung are independent non-executive Directors.

* *For identification purposes only*