THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Qingling Motors Co. Ltd**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent financial adviser to

the Independent Board Committee and the Independent Shareholders

HALCYON 鎧盛

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular unless the context otherwise requires.

A letter from the Board is set out on pages 1 to 52 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 53 to 54 of this circular. A letter from Halcyon Capital Limited, the Independent Financial Adviser, containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 55 to 114 of this circular.

NOTICE IS HEREBY GIVEN that the EGM will be held at the Conference Room, Intelligent Network New Energy Commercial Vehicle Research and Development Center (智能網聯新能源商用車研發中心) of the Company, 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the PRC on Friday, 15 May 2026 at 10 a.m. for the purpose of considering and, if thought fit, approving the matters set out in the notice of the EGM. A notice convening the EGM is set out on pages EGM-1 to EGM-6 of this circular. A form of proxy for use in connection with the EGM is also enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon. The proxy form should be returned to the legal address of the Company at 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the PRC (in the case of proxy form of holders of Domestic Shares) or the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in the case of proxy form of holders of H Shares) in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

This circular and the enclosed proxy form of holders of H Shares for use at the EGM have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.qingling.com.cn).

17 April 2026

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Appendix – General Information A-1

Notice of Extraordinary General Meeting EGM-1

In this circular, the following expressions have the following meanings unless the context otherwise requires:

"Announcement"	the announcement of the Company dated 30 December 2025 in relation to, among other things, the Non-exempt Continuing Connected Transactions
"Articles"	the articles of association of the Company as may be amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Autoparts and Materials Agreement"	the agreement dated 30 December 2022 entered into amongst the Company and the Qingling Autoparts Companies relating to the provision of scrap metal, semi-finished auto parts and raw and crafting materials by the Company to the Qingling Autoparts Companies commencing from 1 January 2023 and expiring on 31 December 2025
"Autoparts Manufacturing"	重慶慶鈴汽車配件製造有限公司 (Chongqing Qingling Autoparts Manufacturing Co., Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"Board"	the board of Directors
"Bosch JV Company"	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, which is owned as to 40% by Qingling Group and 60% by Bosch (China) Investment Ltd. (博世(中國)投資有限公司). Bosch (China) Investment Ltd. (博世(中國)投資有限公司) is an investment company established and wholly owned by a German company, namely, Robert Bosch GmbH (德國羅伯特博世有限公司*) and is principally engaged in developing, managing and coordinating all investment and manufacturing businesses of Bosch in the PRC, all of which are Independent Third Parties
"Bosch Sales Agreement"	the agreement dated 13 May 2024 entered into between the Company and the Bosch JV Company relating to sales of gearbox assemblies by the Company to the Bosch JV Company commencing on 13 May 2024 and expiring on 31 December 2025

"Chassis Supply Agreement"	the agreement dated 30 December 2022 entered into between the Company and Qingling Group (for itself and on behalf of its subsidiary – Qingling Zhuanyong) relating to the supply of automobile chassis and related components by the Company to Qingling Group and/or Qingling Zhuanyong commencing on 1 January 2023 and expiring on 31 December 2025
"Company"	Qingling Motors Co. Ltd, a sino-foreign joint venture joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 1122)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"CQAC"	重慶慶鈴車橋有限公司 (Chongqing Qingling Axle Co. Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"CQAC Agreement"	the agreement dated 30 December 2022 entered into between CQAC and the Company relating to the supply of certain automobile parts by CQAC to the Company and the leasing of certain machineries from the Company to CQAC commencing on 1 January 2023 and expiring on 31 December 2025
"CQACL"	重慶慶鈴鍛造有限公司鑄鋁分公司 (Aluminium Casting Branch of Chongqing Qingling Forging Co. Ltd.*) (formerly known as 重慶慶鈴鑄鋁有限公司 (Chongqing Qingling Aluminium Casting Co. Ltd.*)), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"CQACL Agreement"	the agreement dated 30 December 2022 entered into between CQACL and the Company relating to the supply of certain automobile parts by CQACL to the Company commencing on 1 January 2023 and expiring on 31 December 2025

"CQCC"	重慶慶鈴鍛造有限公司鑄造分公司 (Casting Branch of Chongqing Qingling Forging Co. Ltd.*) (formerly known as 重慶慶鈴鑄造有限公司 (Chongqing Qingling Casting Company Limited.*)), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"CQCC Agreement"	the agreement dated 30 December 2022 entered into between CQCC (for itself and on behalf of its subsidiary – CQVPM) and the Company relating to the supply of certain automobile parts by CQCC and CQVPM to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"CQFC"	重慶慶鈴鍛造有限公司 (Chongqing Qingling Forging Co. Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"CQFC Agreement"	the agreement dated 30 December 2022 entered into between CQFC and the Company relating to the supply of certain automobile parts by CQFC to the Company and the provision of certain consolidated services by the Company to CQFC commencing on 1 January 2023 and expiring on 31 December 2025
"CQNHK"	重慶慶鈴日發座椅有限公司 (Chongqing Qingling NHK Seat Co. Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"CQNHK Agreement"	the agreement dated 30 December 2022 entered into between CQNHK and the Company relating to the supply of certain automobile parts by CQNHK to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"CQPC"	重慶慶鈴塑料有限公司 (Chongqing Qingling Plastic Co. Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group

"CQPC Agreement"	the agreement dated 30 December 2022 entered into between CQPC and the Company relating to the supply of certain automobile parts by CQPC to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"CQVPM"	重慶慶鈴車輛部品製造有限公司 (Chongqing Qingling Vehicle Parts Manufacturing Co., Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by CQCC
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	domestic share(s) of nominal value of RMB1.00 each in the ordinary share capital of the Company
"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, pass the ordinary resolutions to be proposed to approve the Non-exempt CCT Agreements, the Non-exempt Continuing Connected Transactions and their respective proposed annual caps
"Former Continuing Connected Transactions"	transactions under the Chassis Supply Agreement, the Parts Supply Agreements, the QM Moulds Supply Agreement, the Hydrogen-powered Modules Supply Agreement and the Supply Agreement
"Group"	the Company and its subsidiaries from time to time
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hydrogen-powered Modules Supply Agreement"	the agreement dated 30 December 2022 entered into between the Bosch JV Company and the Company relating to the supply of hydrogen-powered modules by the Bosch JV Company to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"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 (Qingling Isuzu (Chongqing) Engine Co., Ltd.*)), 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

"IJTT"	IJTT Co., Ltd., a company incorporated in Japan and listed on the Tokyo Stock Exchange
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. LONG Tao, Mr. SONG Xiaojiang, Mr. LIU Tianni and Ms. CHEN Yen Yung) established for the purpose of, among others, reviewing the Non-exempt Continuing Connected Transactions
"Independent Financial Adviser"	Halcyon Capital Limited, a licensed corporation under the SFO to carry out Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Non-exempt Continuing Connected Transactions
"Independent Shareholders"	Shareholders other than the connected person(s) who is/are interested in the relevant transactions
"Independent Third Parties"	independent third parties which are not connected with the chief executive, directors and substantial shareholder(s) of the Company or any of its subsidiaries and their respective associates, and each of them an "Independent Third Party"
"Isuzu"	Isuzu Motors Limited, a company incorporated in Japan and listed on the Tokyo Stock Exchange, which is a substantial shareholder of the Company
"Isuzu China"	Isuzu (China) Holding Co., Ltd., a company established in the PRC with limited liability, which is wholly owned by Isuzu
"Isuzu Supply Agreement"	the agreement dated 30 December 2022 entered into between Isuzu and the Company relating to the supply of automobile parts and components by Isuzu to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"Keyu Autoparts"	重慶慶鈴科渝汽車配件有限公司(Chongqing Qingling Keyu Autoparts Co., Ltd.*), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"KW"	kilowatt

"Latest Practicable Date"	13 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"New Autoparts and Materials Agreement"	the agreement dated 30 December 2025 entered into amongst the Company and the Qingling Autoparts Companies relating to the provision of scrap metal, semi-finished auto parts and crafting materials by the Company to the Qingling Autoparts Companies, details of which are set out in the section headed "THE NEW AUTOPARTS AND MATERIALS AGREEMENT"
"New Bosch Sales Agreement"	the agreement dated 30 December 2025 entered into between the Company and the Bosch JV Company relating to sales of gearbox assemblies by the Company to the Bosch JV Company, details of which are set out in the section headed "THE NEW BOSCH SALES AGREEMENT"
"New Chassis Supply Agreement"	the conditional agreement dated 30 December 2025 entered into between the Company and Qingling Group (for itself and on behalf of its subsidiary – Qingling Zhuanyong) relating to the supply of automobile chassis and related components by the Company to Qingling Group and/or Qingling Zhuanyong, details of which are set out in the section headed "THE NEW CHASSIS SUPPLY AGREEMENT"
"New CQAC Agreement"	the conditional agreement dated 30 December 2025 entered into between CQAC and the Company relating to the supply of certain automobile parts by CQAC to the Company, and the leasing of certain machineries from the Company to CQAC, details of which are set out in the section headed "THE NEW CQAC AGREEMENT"
"New CQACL Agreement"	the conditional agreement dated 30 December 2025 entered into between CQACL and the Company relating to the supply of certain automobile parts by CQACL to the Company, details of which are set out in the section headed "THE NEW CQACL AGREEMENT"

"New CQCC Agreement"	the conditional agreement dated 30 December 2025 entered into between CQCC and the Company relating to the supply of certain automobile parts by CQCC to the Company, details of which are set out in the section headed "THE NEW CQCC AGREEMENT"
"New CQFC Agreement"	the conditional agreement dated 30 December 2025 entered into between CQFC and the Company relating to the supply of certain automobile parts by CQFC to the Company, and the provision of certain consolidated services by the Company to CQFC, details of which are set out in the section headed "THE NEW CQFC AGREEMENT"
"New CQNHK Agreement"	the conditional agreement dated 30 December 2025 entered into between CQNHK and the Company relating to the supply of certain automobile parts by CQNHK to the Company, details of which are set out in the section headed "THE NEW CQNHK AGREEMENT"
"New CQPC Agreement"	the conditional agreement dated 30 December 2025 entered into between CQPC and the Company relating to the supply of certain automobile parts by CQPC to the Company, details of which are set out in the section headed "THE NEW CQPC AGREEMENT"
"New Hydrogen-powered Modules Supply Agreement"	the conditional agreement dated 30 December 2025 entered into between the Bosch JV Company and the Company relating to the supply of hydrogen-powered modules by the Bosch JV Company to the Company, details of which are set out in the section headed "THE NEW HYDROGEN-POWERED MODULES SUPPLY AGREEMENT"
"New Parts Supply Agreements"	the New Qingling Group Agreement, the New CQACL Agreement, the New CQCC Agreement, the New CQFC Agreement, the New CQAC Agreement, the New CQNHK Agreement and the New CQPC Agreement
"New Qingling Group Agreement"	the conditional agreement dated 30 December 2025 entered into between Qingling Group (for itself and on behalf of its subsidiaries – Qingling Zhuanyong Brake, Qingling Zhuanyong and Qingling Zhuanyong Chassis) and the Company relating to the supply of certain automobile parts by Qingling Group, Qingling Zhuanyong Brake, Qingling Zhuanyong and Qingling Zhuanyong Chassis to the Company, details of which are set out in the section headed "THE NEW QINGLING GROUP AGREEMENT"

"New Qingling Zhuanyong Moulds Supply Agreement"	the conditional agreement dated 30 December 2025 entered into between Qingling Zhuanyong Brake and Qingling Moulds relating to the supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds, a subsidiary owned as to 50.56% by the Company, details of which are set out in the section headed "THE NEW QINGLING ZHUANYONG MOULDS SUPPLY AGREEMENT"
"New Supply Agreement"	the conditional agreement dated 30 December 2025 entered into between the Company and IEC relating to the supply of engine parts and raw materials by the Company to IEC, and the supply of engines and their parts by IEC to the Company, details of which are set out in the section headed "THE NEW SUPPLY AGREEMENT"
"NHK"	NHK Spring Co., Ltd., a company incorporated in Japan and listed on the Tokyo Stock Exchange
"Non-exempt CCT Agreements"	the New Chassis Supply Agreement, the New Parts Supply Agreements, the New Qingling Zhuanyong Moulds Supply Agreement, the New Autoparts and Materials Agreement, the New Hydrogen-powered Modules Supply Agreement, the New Bosch Sales Agreement and the New Supply Agreement
"Non-exempt Continuing Connected Transactions"	the transactions contemplated under the New Chassis Supply Agreement, the New Parts Supply Agreements, the New Qingling Zhuanyong Moulds Supply Agreement, the New Autoparts and Materials Agreement, the New Hydrogen-powered Modules Supply Agreement, the New Bosch Sales Agreement and the New Supply Agreement
"Parts Supply Agreements"	the Qingling Group Agreement, the CQACL Agreement, the CQCC Agreement, the CQFC Agreement, the CQAC Agreement, the CQNHK Agreement and the CQPC Agreement
"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, which shall, for the purpose of this circular, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

"Qingling Autoparts Companies"	CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake and Qingling Zhuanyong
"Qingling Group"	慶鈐汽車(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
"Qingling Group Agreement"	the agreement dated 30 December 2022 entered into between Qingling Group (for itself and on behalf of its subsidiaries - Qingling Zhuanyong Brake, Qingling Zhuanyong, Qingling Zhuanyong Chassis, Autoparts Manufacturing and Keyu Autoparts) and the Company relating to the supply of certain automobile parts by Qingling Group, Qingling Zhuanyong Brake, Qingling Zhuanyong, Qingling Zhuanyong Chassis, Autoparts Manufacturing and Keyu Autoparts to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"Qingling Group Companies"	Qingling Group, CQCC, CQFC, CQAC, CQNHK, CQPC and CQACL, and each of them a "Qingling Group Company"
"Qingling Moulds"	重慶慶鈐模具有限公司 (Chongqing Qingling Moulds Co. Ltd.*), a domestic company established in the PRC with limited liability, which is owned as to 50.56% and 49.44% by the Company and Qingling Group, respectively
"Qingling Zhuanyong"	重慶慶鈐專用汽車有限公司 (Chongqing Qingling Zhuanyong Vehicle Co. Ltd*) (formerly known as 重慶慶鈐汽車上裝製造有限公司 (Chongqing Qingling Automobile Manufacture and Assembly Co. Ltd.*)), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"Qingling Zhuanyong Brake"	重慶慶鈐專用汽車有限公司制動器分公司 (Brake Branch of Chongqing Qingling Zhuanyong Vehicle Co. Ltd*) (formerly known as 重慶慶鈐汽車機加部品製造有限公司 (Chongqing Qingling Machinery Parts Co. Ltd.*)), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group.

"Qingling Zhuanyong Chassis"	重慶慶鈴專用汽車有限公司底盤分公司(Chassis Branch of Chongqing Qingling Special Vehicle Co. Ltd*) (formerly known as重慶慶鈴汽車底盤部品有限公司(Chongqing Qingling Automobile Chassis Parts Co. Ltd.*)), a domestic company established in the PRC with limited liability, which is wholly owned by Qingling Group
"QM Moulds Supply Agreement"	the QM Moulds Supply Agreement entered into between Qingling Moulds and Qingling Zhuanyong Brake dated 30 December 2022 relating to the supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share(s)"	the Domestic Shares and the H Shares
"Shareholder(s)"	holder(s) of the Shares
"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 agreement dated 30 December 2022 entered into between the Company and IEC relating to the supply of engine parts and raw materials by the Company to IEC, and the supply of engines and their parts by IEC to the Company commencing on 1 January 2023 and expiring on 31 December 2025
"Three Warranties"	the provision of warranty services in respect of repair, replacement and refund of the Company's products
"VAT"	value-added tax

"Yu Gao"	重慶渝高科技產業(集團)股份有限公司(Chongqing Yu Gao-Tech Industry (Group) Co. Ltd*), which is, according to online information, a state-controlled company incorporated in the PRC with limited liability. 重慶高科投資咨詢公司 (Chongqing Gao ke Investment Consulting Co.*) is the single largest shareholder interested in approximately 47.71% of its registered share capital
"%"	per cent

* *For identification purposes only*



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)

Executive Directors:
Mr. LUO Yuguang *(Chairman)*
Mr. NAKAMURA Koji
Mr. KIJIMA Katsuya
Mr. TSUKUI Mikio
Mr. LI Juxing
Mr. XU Song
Mr. LI Xiaodong

Independent Non-executive Directors:
Mr. LONG Tao
Mr. SONG Xiaojiang
Mr. LIU Tianni
Ms. CHEN Yen Yung

Legal Address:
1 Xiexing Cun
Zhongliangshan
Jiulongpo District
Chongqing
The People's Republic of China

Principal Place of Business in Hong Kong:
Office 1601, 16th Floor
LHT Tower
31 Queen's Road Central
Central, Hong Kong

17 April 2026

To the Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement. Pursuant to the requirements under Chapter 14A of the Listing Rules, the Company will seek the approval of the Independent Shareholders in relation to the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps.

The purpose of this circular is to provide you with further details of the Non-exempt Continuing Connected Transactions and their respective proposed annual caps as well as any other information as required to be contained in this circular under the Listing Rules, together with the notice convening the EGM and the enclosed form of proxy.

The Independent Board Committee has been formed to advise the Independent Shareholders as to, among other things, whether the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM, taking into account the recommendations of the Independent Financial Adviser. Halcyon Capital Limited has been appointed as the independent financial adviser to give recommendations to the Independent Board Committee and the Independent Shareholders as to, among other things, whether the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM. A letter from the Independent Board Committee is set out on pages 53 to 54 of this circular and a letter from the Independent Financial Adviser is set out on pages 55 to 114 of this circular.

BACKGROUND

The Group had carried on the Former Continuing Connected Transactions which include transactions under the following agreements:

(i) the Chassis Supply Agreement which expired on 31 December 2025;

(ii) the Parts Supply Agreements which expired on 31 December 2025;

(iii) the QM Moulds Supply Agreement which expired on 31 December 2025;

(iv) the Hydrogen-powered Modules Supply Agreement which expired on 31 December 2025; and

(v) the Supply Agreement which expired on 31 December 2025.

Details of the Former Continuing Connected Transactions are more particularly set out in the announcement of the Company dated 30 December 2022 and the circular of the Company dated 30 March 2023, respectively.

The Group will from time to time continue to enter into transactions of nature similar to the Former Continuing Connected Transactions after the expiry of the agreements to which the Former Continuing Connected Transactions relate and also enter into new transactions based on its business need. Accordingly, the Group renewed the aforesaid agreements on substantially the same terms and/or entered into the agreements numbered (1) to (3) and (7) below with Qingling Group and/or its subsidiaries, the agreement numbered (4) and (5) below with the Bosch JV Company and the agreement numbered (6) below with IEC. All the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. THE NEW CHASSIS SUPPLY AGREEMENT

Date	:	30 December 2025
Parties	:	(i) The Company; and (ii) Qingling Group (for itself and on behalf of its wholly owned subsidiary — Qingling Zhuanyong)
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile chassis (including but not limited to the 100P chassis, 700P chassis, F-series chassis, 600P chassis and TF pick-up truck chassis) and related components for modified vehicles by the Company to Qingling Group and/or Qingling Zhuanyong
Price determination	:	With reference to the market prices of the automobile chassis and related components after arm's length negotiations between the parties thereto
Payment term	:	A credit term of 3 to 6 months after sales

The New Chassis Supply Agreement is a master agreement which sets out the principles upon which detailed terms in relation to the supply of automobile chassis and related components by the Company to Qingling Group and/or Qingling Zhuanyong are to be determined.

Pursuant to the New Chassis Supply Agreement, the Company will enter into separate definitive agreement(s) with Qingling Group from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Chassis Supply Agreement. Such detailed terms include but not limited to prices, payment and settlement terms, quantity, standard of quality, inspection, product liability, liability for compensation and other terms and conditions in relation to the supply of automobile chassis and related components.

The Company and Qingling Group agree that such definitive agreement(s) shall be on normal commercial terms or, if there is no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms that are fair and reasonable to the Company. Qingling Group and/or Qingling Zhuanyong also undertake that the terms offered to the Company shall be no less favourable than those offered to Independent Third Parties by Qingling Group in the market where Qingling Group operates.

Should Qingling Group cease to be a connected person of the Company and the transactions under the New Chassis Supply Agreement cease to be a continuing connected transaction of the Company, the Company is entitled to terminate the New Chassis Supply Agreement upon giving written notice to Qingling Group.

Historical transaction amounts

The actual amounts received by the Company in respect of the transactions under the Chassis Supply Agreement for the relevant years and the corresponding annual caps are as follows:

	Actual amount incurred (in RMB) *(Approximate)*			**Annual caps (in RMB)**		
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
Chassis Supply Agreement	105,830,000	204,270,000	83,830,000	357,760,000	384,610,000	474,640,000

None of the actual amounts received for the three years ended 31 December 2025 above exceeded their respective annual caps for the corresponding years.

Basis of consideration

The consideration under the New Chassis Supply Agreement will be determined after arm's length negotiations between the parties thereto with reference to the market prices of the automobile chassis and related components. In determining the price of automobile chassis and related components for transactions contemplated under the New Chassis Supply Agreement, the Company will prepare, and update from time to time, a price list for products to be sold to Qingling Group and/or Qingling Zhuanyong with reference to (i) market price information of no less than three comparable products in the PRC automotive market with market prices of automobile chassis and related spare parts that meet equivalent specifications, technical and quality requirements; (ii) the Company's estimated production costs for the relevant products; and (iii) the prices of chassis supply transactions conducted by the Company with no fewer than three Independent Third Parties. According to the above pricing policy, historical terms provided by the Company to Qingling Group and/or Qingling Zhuanyong under the Chassis Supply Agreement were similar to those then provided to Independent Third Parties, and their profit margins were of about the same level in the range of 6% to 10% for the three years ended 31 December 2025. In addition, the profit margin level of automobile chassis and related components to be supplied by the Company to Qingling Group and/or Qingling Zhuanyong adopted under the New Chassis Supply Agreement shall be consistent with, and, in any event, no less favourable than the profit margin level of the same type of products sold by the Company to Independent Third Parties from time to time in the coming three years ending 31 December 2028, which is expected to be in the range of 6% to 10%. Thus, the pricing policy of the New Chassis Supply Agreement is considered to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Proposed annual caps

The table below sets out the proposed annual caps for the transactions contemplated under the New Chassis Supply Agreement for the relevant years:

	Proposed annual caps (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New Chassis Supply Agreement	275,490,000	393,560,000	432,920,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Chassis Supply Agreement and the transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The aforesaid proposed annual caps for the transactions contemplated under the New Chassis Supply Agreement are set by the Board with reference to the actual amounts received by the Company in respect of the transactions contemplated under the Chassis Supply Agreement and the anticipated market demand in relation to automobile chassis and related components to be supplied by the Company to Qingling Group and/or Qingling Zhuanyong for the term under the New Chassis Supply Agreement. Further details of the basis of the proposed annual caps are set out in the sub-section headed "Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions" under the section headed "NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS" in this letter from the Board on pages 3 to 46 of this circular.

Reasons for entering into the New Chassis Supply Agreement

The Company has been selling chassis to vehicle refitting manufacturers. In order to increase the market sales volume and the market share of the Company, Qingling Group purchases chassis from the Company to manufacture modified vehicles (including but not limited to automobiles for transportation and cold-storage vehicles), so as to meet the customised requirements for vehicles from customers, and in turn enhance the sales of chassis of the Company. Therefore, the parties entered into the New Chassis Supply Agreement.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the consideration) of the New Chassis Supply Agreement are fair and reasonable and on normal commercial terms, and that the relevant transactions are 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Chassis Supply Agreement will be conducted in accordance with the terms of the New Chassis Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS" in this letter from the Board on pages 3 to 46 of this circular.

2. THE NEW PARTS SUPPLY AGREEMENTS

a. THE NEW QINGLING GROUP AGREEMENT

Date	:	30 December 2025
Parties	:	(i) Qingling Group (for itself and on behalf of its wholly owned subsidiaries — Qingling Zhuanyong, Qingling Zhuanyong Brake and Qingling Zhuanyong Chassis); and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile parts including but not limited to stamping components, compartments, machining components and other parts and components by Qingling Group, Qingling Zhuanyong, Qingling Zhuanyong Brake and Qingling Zhuanyong Chassis to the Company
Price determination	:	Currently at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by Qingling Group to Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

b. THE NEW CQACL AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQACL; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile parts including but not limited to cast aluminium parts and other relevant parts and components by CQACL to the Company
Price determination	:	Currently at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQACL to Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

c. THE NEW CQCC AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQCC; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile parts including but not limited to cast parts of engine cylinder blocks, cylinder heads and main bearing covers and other parts and components by CQCC to the Company
Price determination	:	Currently at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQCC to Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

d. THE NEW CQFC AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQFC; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	(a) Supply of automobile parts including but not limited to raw casts of engine crankshafts and connecting rods and other parts and components by CQFC to the Company; and (b) Provision of consolidated services by the Company to CQFC including but not limited to: (i) water, electricity and gas supply services; (ii) equipment repair technical services (including the Three Warranties); (iii) medical and hygiene services; (iv) telephone services; and (v) canteen and security services

Price determination	:	*(a)*	*With respect to supply of automobile parts:* Currently at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQFC to Independent Third Parties
		(b)	*With respect to provision of consolidated services:* At prices based on actual costs incurred plus taxes payable
Payment term	:		Monthly settlement, payment within one month after receipt of the invoice

With respect to the provision of consolidated services by the Company to CQFC, should CQFC cease to be a connected person of the Company and the consolidated services transactions under the New CQFC Agreement cease to be a continuing connected transaction of the Company, the Company is entitled to terminate the provision of consolidated services to CQFC upon giving written notice to CQFC.

e. THE NEW CQAC AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQAC; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	(a) Supply of automobile parts including but not limited to front and rear motor vehicle axles and other parts and components by CQAC to the Company; and (b) Leasing of leased machineries from the Company to CQAC for production and testing of front and rear motor vehicle axles to be provided by CQAC to the Company
Price determination	:	*(a) With respect to supply of automobile parts:* Currently at prices not higher than market prices determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQAC to Independent Third Parties

(b) *With respect to leasing of machineries:*

Rents for the leasing of machineries are as follows:

(i) RMB382,686 (exclusive of VAT) (from 1 January 2026 to 31 December 2026);

(ii) RMB382,686 (exclusive of VAT) (from 1 January 2027 to 31 December 2027); and

(iii) RMB382,686 (exclusive of VAT) (from 1 January 2028 to 31 December 2028)

Rents payable are determined based on normal commercial terms through arm's length negotiations between the parties which are on terms no less favourable than those offered by the Company to Independent Third Parties

Payment term : *(a)* *With respect to supply of automobile parts:*

Monthly settlement, payment within one month after receipt of the invoice

(b) *With respect to leasing of machineries:*

Payment on a monthly basis before the expiry of the following month

f. THE NEW CQNHK AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQNHK; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile parts including but not limited to motor vehicle seats and other parts and components by CQNHK to the Company
Price determination	:	Currently at prices not higher than market prices determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQNHK to Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

g. THE NEW CQPC AGREEMENT

Date	:	30 December 2025
Parties	:	(i) CQPC; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of automobile parts including but not limited to plastic parts and other parts and components by CQPC to the Company
Price determination	:	Currently at prices not higher than market prices determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered by CQPC to Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

Each of the New Parts Supply Agreements is a master agreement which sets out the principles upon which further detailed terms in relation to the supply of automobile parts and/or provision of services may be determined between the Company on one hand, and the relevant Qingling Group Companies on the other hand.

Pursuant to each of the New Parts Supply Agreements, the Company may enter into separate definitive agreement(s) with each of the relevant Qingling Group Companies from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the relevant New Parts Supply Agreement. Such detailed terms include, but without limitation, product type, specification, quantity, delivery and/or payment terms and other terms and conditions in relation to the provision of products and/or services.

Historical transaction amounts

The following table sets out the historical transaction amounts for each of the Parts Supply Agreements, together with their respective annual caps, for the relevant years:

	Actual amounts incurred (in RMB) *(Approximate)*			**Annual caps (in RMB)**		
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
Qingling Group Agreement	149,740,000	112,260,000	114,940,000	285,790,000	369,150,000	479,790,000
CQACL Agreement	8,860,000	14,770,000	44,670,000	14,360,000	16,280,000	76,800,000
CQCC Agreement	9,950,000	9,090,000	13,680,000	30,650,000	36,190,000	45,160,000
CQFC Agreement	19,330,000	20,150,000	20,970,000	45,140,000	49,400,000	60,570,000
CQAC Agreement	261,360,000	318,520,000	301,270,000	690,370,000	842,070,000	1,080,900,000
CQNHK Agreement	39,240,000	47,190,000	40,490,000	100,230,000	121,610,000	153,830,000
CQPC Agreement	45,520,000	64,900,000	55,600,000	161,140,000	200,290,000	256,400,000
Aggregate amount	534,000,000	586,880,000	591,620,000	1,327,680,000	1,635,620,000	2,153,450,000

None of the transaction amounts for the three years ended 31 December 2025 exceeded their respective annual caps for the corresponding years.

Projected transaction amounts

The Directors project that the annual transaction amounts under each of the New Parts Supply Agreements for the three years ending 31 December 2028 will not exceed the amounts set out below, which will also be proposed as the respective annual caps for each of the New Parts Supply Agreements during the corresponding years:

	Projected maximum annual transaction amounts (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New Qingling Group Agreement	282,560,000	404,000,000	448,650,000
New CQACL Agreement	110,780,000	132,870,000	161,810,000
New CQCC Agreement	14,670,000	18,530,000	21,880,000
New CQFC Agreement			
(a) Supply of automobile parts by CQFC to the Company	46,510,000	64,230,000	73,070,000
(b) Provision of consolidated services by the Company to CQFC	2,900,000	3,330,000	3,830,000
New CQAC Agreement			
(a) Supply of automobile parts by CQAC to the Company	802,690,000	1,176,350,000	1,334,620,000
(b) Leasing of machineries from the Company to CQAC	390,000	390,000	390,000
New CQNHK Agreement	99,790,000	149,250,000	166,470,000
New CQPC Agreement	160,490,000	227,640,000	250,530,000
Aggregate amount	1,520,780,000	2,176,590,000	2,461,250,000

Having considered, among others, the future outlook of the commercial vehicle industry in the PRC (i.e. a gradual rebound of the demand for commercial vehicles in the foreseeable future in view of the economic growth in the PRC and the surge in demand for new energy commercial vehicles), the expected growth in commercial vehicle industry in 2026, the

Company expected that the number of vehicles to be sold by the Group would increase substantially at a compound annual growth rate of approximately 25.36% for the coming three years ending 31 December 2028. With the expected increase in production and sales volume of vehicles of the Group, the projected transaction amounts under each of the New Parts Supply Agreements were projected to increase at a compound annual growth rate in the range of approximately 20% to 30% for the three years ending 31 December 2028. In this connection, the annual caps for each of the New Parts Supply Agreements in relation to the trading of automobile parts and components were proposed to increase at a compound annual growth rate in the range of approximately 20% to 30% for the three years ending 31 December 2028, which is in line with the compound annual growth rate of the projected transaction amounts under each of the New Parts Supply Agreements.

Basis of consideration

The considerations payable by the Company under the New Parts Supply Agreements are determined:

(i) after arm's length negotiations between the parties thereto; and

(ii) (1) with reference to, among others things, (1) the statistics on the economic efficiency indicators for the automotive industry published by the National Bureau of Statistics of China (the "**Economic Efficiency Indicators for the Automotive Industry from the NBS**"), according to which the average profit margins of the automobile industry in the PRC was 5.04% and 4.34% in 2023 and 2024 respectively; and (2) with reference to the statistics published in the "China Automotive Industry Newsletter of Production and Sales", according to which the profit margin of key enterprises in the PRC's automobile industry issued by China Association of Automobile Manufacturers was approximately 4.39% for the eleven months ended 30 November 2025.

The above average profit margins of 5.04% and 4.34% for the automobile industry in the PRC in 2023 and 2024, respectively, as quoted from the Economic Efficiency Indicators for the Automotive Industry from the NBS are average levels and the actual profit margin will vary from transaction to transaction depending on the nature, prevailing market prices, technology specifications, quality standards of the parts and the supply-demand relationship in the market. In addition to the statistics published in the Economic Efficiency Indicators for the Automotive Industry from the NBS, the Company and Qingling Group have also taken reference from the historical transaction prices of automobile parts in determining the maximum profit margin level. Furthermore, the profit margin of certain automobile parts are relatively higher as those automobile parts involve complex technologies and it is relatively difficult to implement quality control. As such, the Company and the Qingling Group Companies agree to set the maximum profit margin for supplying automobile parts under the New Parts Supply Agreements at 8%, while the actual profit margin will be determined based on the nature, functionality, technology and quality standard of different automobile parts.

Currently, the Company is the only enterprise in the PRC engaging in the manufacturing of commercial vehicles under the brand name of Isuzu, and the Company and the Qingling Group Companies are responsible for assembling certain parts of vehicles based on the product drawings, technology specifications, and quality standards given or confirmed by Isuzu under its guidance. In the event that an Independent Third Party is not authorised by Isuzu or the Company, it will not be able to produce the relevant automobile parts which meet the quality standards of Isuzu. Since no authorisation is given to Independent Third Parties in the market for the production of most of the automobile parts to be supplied by the Qingling Group Companies to the Company under the New Parts Supply Agreements for assembling Isuzu commercial vehicles, no comparable market price is available for those automobile parts, which include, among others, cylinder blocks, cylinder heads, rod castings of engines and specified axles for Isuzu 100P\600P\700P\F light-, medium-, and heavy-duty trucks.

On the other hand, comparable market prices are available for a few of the automobile parts to be supplied under the New Parts Supply Agreements, such as engine oil pans. As such, the Company will determine the market prices of those automobile parts based on the prices of automobile parts with similar specifications, technology and quality requirements etc. in the automotive parts market.

If there is no comparable market price, the considerations in respect of the corresponding automobile parts to be supplied under the New Parts Supply Agreements will be determined with reference to the actual or reasonable costs (whichever is lower) incurred plus a profit margin of not more that 8%, which is the maximum consideration payable by the Company under the New Parts Supply Agreements and in any event on terms no less favourable to the Company than those offered by the Qingling Group Companies to Independent Third Parties. The Qingling Group Companies will provide to the Company the estimated costs of automobile parts supplied under the relevant agreements regularly upon which the parties will further negotiate and determine the price of automobile parts with reference to the relevant industrial situation and experience. The Company's access to the quarterly operating statements and the audited annual financial statements of the Qingling Group Companies also enables the Company to ascertain the actual profit margin level achieved by the Qingling Group Companies. The actual consideration to be payable by the Company will be determined with reference to the prevailing market conditions, based on the nature, functionality, technology specifications and quality standards of different parts.

In addition, in relation to the provision of consolidated services by the Company to CQFC pursuant to the New CQFC Agreement, as the provision of consolidated services is not a core business of the Group and the projected transaction amounts for the provision of consolidated services are relatively small, the Company has adopted the pricing term based on actual costs incurred plus taxes payable instead of a term with reference to a particular profit margin. Meanwhile, in relation to the rental payment for the leasing of machineries from the Company to CQAC pursuant to the New CQAC Agreement, the Company has adopted fixed annual rental payment term which was determined on normal commercial terms and on terms no less favourable than those offered by the Company to two to three Independent Third Parties (if applicable) with similar specifications to the leased machineries for production and testing of front and rear motor vehicle axles.

Proposed annual caps

Breakdown of the proposed annual caps under each of the New Parts Supply Agreements for the three years ending 31 December 2028 is set out in the subparagraph headed "Projected transaction amounts" above on page 17 of this circular. The table below sets out the aggregate amount of the proposed annual caps for the transactions contemplated under the New Parts Supply Agreements for the relevant years:

	Proposed aggregate annual caps (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New Parts Supply Agreements	1,520,780,000	2,176,590,000	2,461,250,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Parts Supply Agreements and the respective transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The aforesaid proposed annual caps are ascertained with reference to (i) the historical sales volume; (ii) the projected sales volume for the three years ending 31 December 2028; (iii) the expected increase in the number of new vehicles of new models or different specifications to be launched and made available for sale by the Company; and (iv) the projected maximum annual transaction amounts set out in the subparagraph headed "Projected transaction amounts" above. Further details of the basis of the proposed annual caps are set out in the sub-section headed "Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions" under the section headed "NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS" in this letter from the Board on pages 3 to 46 of this circular.

Reasons for entering into the New Parts Supply Agreements

As the Company mainly produces various types of vehicles and components under the brand of Isuzu, the Company has to, from time to time, in the course of its business, purchase (i) stamping components, compartments and other parts and components; (ii) cast aluminum parts and other parts and components; (iii) cast parts of engine cylinder blocks, cylinder heads and main bearing covers and other parts and components; (iv) raw casts of engine crankshafts and connecting rods and other parts and components; (v) front and rear motor vehicle axles and other parts and components; (vi) motor vehicle seats and other parts and components; and (vii) plastic parts and other parts and components. Since the principal businesses of Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK and CQPC include the production and retail of products mentioned in items (i) to (vii) above, respectively, and the Qingling Group Companies produce such products which meet the quality standards of Isuzu and are willing to produce such products in accordance with the specifications of the Company, the Company entered into the New Parts Supply Agreement to purchase the said products from the relevant Qingling Group Companies (as the case may be).

As the Company mainly manufactures automobiles under the brand of Isuzu, the Company's specifications for all automobile parts must conform with Isuzu's standards. Each of the Qingling Group Companies has already obtained from Isuzu the technical know-how and specific equipment for production of automobile parts in conformity with Isuzu's standards, hence they are capable of manufacturing the said automobile parts based on the specifications and quality standards of Isuzu. The Directors believe that other suppliers do not possess such technical know-how and specific equipment that Isuzu has, and that even if other suppliers may manufacture automobile parts compatible with the same specifications, the quality of those products may not conform with the standards of Isuzu. Therefore, in view of the fact that the Group does not require automobile parts other than those supplied by the Qingling Group Companies, the Company is of the view that it would not be necessary to look for other sources of supply.

Further, CQFC requires various supporting services such as repair and maintenance services for the machineries and other auxiliary and utility-related services to carry out its regular operations. The Directors believe that provision of those services as set out in the New CQFC Agreement by the Company to CQFC would facilitate the operation of the Group and minimise the costs of the Group in setting up crews to provide repair and maintenance services and other related services. Also, CQAC requires certain machineries for its production and inspection of vehicle axles. Such vehicle axles will then be provided by CQAC to the Company. The Directors believe that the leasing of leased machineries from the Company to CQAC as set out in the New CQAC Agreement would utilise the Group's resources fully and centralise management of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the consideration) of the New Parts Supply Agreements will be fair and reasonable and on normal commercial terms, and that the relevant transactions are 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Parts Supply Agreements will be conducted in accordance with the terms of the New Parts Supply Agreements, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policies of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS" in this letter from the Board on pages 3 to 46 of this circular.

3. THE NEW QINGLING ZHUANYONG MOULDS SUPPLY AGREEMENT

Date	:	30 December 2025
Parties	:	(i) Qingling Zhuanyong Brake; and (ii) Qingling Moulds
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds

Price determination	:	Currently at prices not higher than market prices determined with reference to the following pricing policy: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8% as agreed by the parties thereto In any event, on terms no less favourable than those offered to Qingling Moulds by Independent Third Parties
Payment term	:	Monthly settlement, payment within one month after receipt of the invoice

The New Qingling Zhuanyong Moulds Supply Agreement is a master agreement which sets out the principles upon which detailed terms in relation to the provision of products and/or services are to be determined between Qingling Moulds on one hand, and Qingling Zhuanyong Brake on the other hand.

Pursuant to the New Qingling Zhuanyong Moulds Supply Agreement, Qingling Moulds may enter into separate definitive agreement(s) with Qingling Zhuanyong from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Qingling Zhuanyong Moulds Supply Agreement. Such detailed terms include, but without limitation, product type, specification, quantity, delivery and/or scope of service, service liability and standard of quality and other terms and conditions in relation to the provision of products and/or services.

The transactions contemplated under the New Qingling Zhuanyong Moulds Supply Agreement relate to the supply of moulds and related products and/or provision of maintenance and processing services by Qingling Zhuanyong Brake, a wholly owned subsidiary of Qingling Group, to Qingling Moulds, a subsidiary owned as to 50.56% by the Company, whereas the transactions contemplated under the New Parts Supply Agreements relate to the supply of automobile parts by the Qingling Group Companies (including but not limited to Qingling Zhuanyong) to the Company. As both the New Qingling Zhuanyong Moulds Supply Agreement and the New Parts Supply Agreements were entered into between Qingling Group and its subsidiaries (including but not limited to Qingling Zhuanyong and/or Qingling Zhuanyong Brake) on one hand and the Group on the other hand while some of the parts and products to be supplied by Qingling Zhuanyong and/or Qingling Zhuanyong Brake under the New Parts Supply Agreements and the New Qingling Zhuanyong Moulds Supply Agreement may be of similar nature, the transactions contemplated under the New Qingling Zhuanyong Moulds Supply Agreement will be aggregated with the transactions contemplated under the New Parts Supply Agreements in accordance with Rules 14A.81 to 14A.83 of the Listing Rules.

Basis of consideration

The actual consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement will be determined with reference to the prevailing market conditions with reference to three quotations (ranging between approximately RMB1,461 per unit to RMB1,620 per unit (exclusive of tax)) that Qingling Moulds received by way of tender and in any event, on terms no less favourable to Qingling Moulds than those offered to Qingling Moulds by Independent Third Parties (if applicable).

If there are no sufficient comparable transactions with respect to the supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds, the consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement will be determined with reference to the actual or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8%, which is the maximum consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement. For further details regarding the reasoning and basis of determining the maximum consideration payable, please refer to the subparagraph headed "Basis of consideration" under the sub-section headed "THE NEW PARTS SUPPLY AGREEMENTS" above.

Historical transaction amounts

The following table sets out the historical transaction amounts for the QM Moulds Supply Agreement, together with their respective annual caps, for the relevant period or years:

	Actual amount incurred (in RMB) *(Approximate)*			**Annual caps (in RMB)**		
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
The QM Moulds Supply Agreement	220,000	0	0	30,000,000	30,000,000	30,000,000

Proposed annual caps

The table below sets out the proposed annual caps for the transactions contemplated under the New Qingling Zhuanyong Moulds Supply Agreement for the relevant years:

	Proposed annual caps (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New Qingling Zhuanyong Moulds Supply Agreement	3,000,000	5,000,000	8,000,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Qingling Zhuanyong Moulds Supply Agreement and the transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The aforesaid proposed annual caps are determined based on the estimated amounts of moulds and related products and the estimated value of the maintenance and processing services required by Qingling Moulds for the production of an estimated number of moulds and related products for the three years ending 31 December 2028. Further details of the basis of the proposed annual caps are set out in the sub-section headed "Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

Reasons for entering into the New Qingling Zhuanyong Moulds Supply Agreement

As the Company mainly produces various types of vehicles and components under the brand of Isuzu, it may, from time to time, in the course of its business, purchase moulds and related products that meet the quality standards required by Isuzu from Qingling Moulds. In this connection, Qingling Moulds may also require moulds and related products that meet the quality standards of Isuzu as well as various supporting services such as maintenance and processing services to carry out its regular operations. Given that Qingling Zhuanyong Brake (i) manufactures moulds and related products that are of high quality and fulfill the quality standards as so require and (ii) provides maintenance and processing services, Qingling Moulds wishes to purchase moulds and related products and obtain maintenance and processing services from Qingling Zhuanyong Brake though entering into the New Qingling Zhuanyong Moulds Supply Agreement, which would in turn facilitate the operation of the Group and minimise the costs of the Group in sourcing and acquiring similar products and/or services from Independent Third Parties.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the consideration) of the New Qingling Zhuanyong Moulds Supply Agreement are fair and reasonable and on normal commercial terms, and that the relevant transactions are 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions conducted under the New Qingling Zhuanyong Moulds Supply Agreement will be conducted in accordance with the terms of the New Qingling Zhuanyong Moulds Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

4. THE NEW HYDROGEN-POWERED MODULES SUPPLY AGREEMENT

Date	:	30 December 2025
Parties	:	(i) The Bosch JV Company; and (ii) the Company
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	Supply of hydrogen-powered modules by the Bosch JV Company to the Company
Price determination	:	The prices are determined based on the following pricing policy: (i) on arm's length basis;

(ii) on normal commercial terms, with the selling prices arrived at after negotiations between the parties based on industry benchmark prices that reflect the quality of the relevant hydrogen-powered modules in a fair market; and

(iii) in compliance with applicable laws, rules and regulations including, among others, the Listing Rules.

The New Hydrogen-powered Modules Supply Agreement is a master agreement which sets out the principles upon which further detailed terms in relation to the supply of hydrogen-powered modules may be determined between the Company on one hand, and the Bosch JV Company on the other hand.

Pursuant to the New Hydrogen-powered Modules Supply Agreement, the Company may enter into separate definitive agreement(s) with the Bosch JV Company from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Hydrogen-powered Modules Supply Agreement. Such detailed terms include, but without limitation, quantity, standard of quality, delivery period, payment terms and other terms and conditions in relation to the supply of hydrogen-powered modules.

The Company and the Bosch JV Company agree that terms relating to the supply of products shall be on normal commercial terms and determined through arms' length negotiations, or if there is no sufficient comparable transaction to assess whether they are on normal commercial terms, on terms that are fair and reasonable to the Company.

Historical transaction amounts

The following table sets out the historical transaction amounts for the Hydrogen-powered Modules Supply Agreement, together with their respective annual caps, for the relevant years:

	Actual amounts incurred (in RMB) *(Approximate)*			Annual caps (in RMB)		
	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
Hydrogen-powered Modules Supply Agreement	112,920,000	123,200,000	53,650,000	486,360,000	495,450,000	880,800,000

The transaction amounts for the three years ended 31 December 2025 did not exceed their respective annual caps for the corresponding years.

Basis of consideration

The consideration payable by the Company under the New Hydrogen-powered Modules Supply Agreement is determined after arm's length negotiations between the parties thereto and on terms that are fair and reasonable to the Company based on the pricing policy set out in the subparagraph headed "Price determination" above, with reference to, inter alia, industry benchmark prices of hydrogen-powered modules of similar quality.

As at the Latest Practicable Date, to the best knowledge of the Company, there were still limited source of independent suppliers in the PRC who are capable of providing the hydrogen-powered modules that are required by the Company for assembling its hydrogen fuel cell vehicles and the market for such hydrogen-powered modules is still at an early stage. Therefore, the industry benchmark prices that reflect the quality of the relevant hydrogen-powered modules are currently not available at the Latest Practicable Date. For the year 2024 and 2025, the prices of the hydrogen-powered modules per unit of power charged by the Bosch JV Company to Independent Third Parties were in the range of approximately RMB2,631 per KW to RMB2,780 per KW, and RMB2,328 per KW to RMB2,894 per KW respectively. At present, the prices of the hydrogen-powered modules under the New Hydrogen-powered Modules Supply Agreement are determined based on arm's length negotiations between the parties with reference to the prices of hydrogen-powered modules per unit of power charged by the Bosch JV Company to Independent Third Parties and, in any event, on prices no less favourable than those charged by the Bosch JV Company to two to three Independent Third Parties from time to time in the coming three years ending 31 December 2028. At the time when the market of hydrogen-powered modules of specification and quality that are required by the Company becomes mature and the industry benchmark prices thereof are available, the Company will make reference to such industry benchmark prices by, among others, obtaining quotations from one to two third party suppliers of hydrogen-powered modules of similar specification and quality from time to time for determining the prices of the products to be supplied by the Bosch JV Company to the Company under the New Hydrogen-powered Modules Supply Agreement.

Proposed annual caps

The table below sets out the proposed annual caps for the transactions contemplated under the New Hydrogen-powered Modules Supply Agreement for the relevant years:

	Proposed annual caps (in RMB)		
	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028
New Hydrogen-powered Modules Supply Agreement	988,710,000	1,759,720,000	2,594,620,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Hydrogen-powered Modules Supply Agreement and the transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The above proposed annual caps for the transactions contemplated under the New Hydrogen-powered Modules 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 during the term of the New Hydrogen-powered Modules Supply Agreement; and (iii) the market prices of hydrogen-powered modules and their price trends. Further details of the basis of the proposed annual caps are set out in the sub-section headed "Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

Reasons for entering into the New Hydrogen-powered Modules Supply Agreement

It was set out 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 sold should reach 2 million by 2030, while it was set out 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 that the number of hydrogen fuel cell vehicles used in regional public transportation, logistics and other fields should reach 1,500 by 2025. Moreover, the Jiulongpo district government of the Chongqing municipality also proposed a plan to build hydrogen energy technology industrial parks in the western part of the PRC and create a hydrogen valley. To proactively adapt to the new energy revolution and to be in line with the transformation and development of the automotive industry and seize the relevant market opportunities in the PRC, the Company wishes to purchase hydrogen-powered modules from the Bosch JV Company for assembling hydrogen fuel cell commercial vehicles. Therefore, the parties entered into the New Hydrogen-powered Modules Supply Agreement.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the consideration) of the New Hydrogen-powered Modules Supply Agreement are fair and reasonable and on normal commercial terms, and that the relevant transactions are 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Hydrogen-powered Modules Supply Agreement will be conducted in accordance with the terms of the New Hydrogen-powered Modules Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

5. THE NEW BOSCH SALES AGREEMENT

Date	:	30 December 2025
Parties	:	(i) The Bosch JV Company; and (ii) The Company;
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Transaction	:	Sales of gearbox sub-assemblies by the Company to the Bosch JV Company
Pricing principles	:	The pricing of the products under the New Bosch Sales Agreement is determined by reference to the actual or reasonable costs incurred by the Company (including but not limited to raw material costs and assembly costs) plus a reasonable profit margin as there are no sufficient comparable transactions.

The Company and the Bosch JV Company agree that the relevant sales terms of the products (including but not limited to the pricing principles) shall be arrived at after arm's length negotiations between the parties and on normal commercial terms or, if there are no sufficient comparable transactions to assess whether they are on normal commercial terms, such terms shall be fair and reasonable so far as the Company is concerned.

The New Bosch Sales Agreement is a master agreement which sets out the principles and requirements in relation to the sales of gearbox sub-assemblies between the Company and the Bosch JV Company. Pursuant to the New Bosch Sales Agreement, the Company may enter into separate definitive agreement(s) with the Bosch JV Company from time to time to provide for detailed terms of each single transaction in accordance with the principles and requirements set out in the New Bosch Sales Agreement. Such detailed terms include, without limitation, price, payment terms, quantity, standard of quality and other terms and conditions.

Historical transaction amounts

The following table sets out the historical transaction amounts for the New Bosch Sales Agreement, together with their respective annual caps, for the relevant period or years:

	Actual amount incurred (in RMB) *(Approximate)*		**Annual caps (in RMB)**	
	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
The Bosch Sales Agreement	61,940,000	112,290,000	395,000,000	850,000,000

The transaction amounts for the two years ended 31 December 2025 did not exceed the respective annual caps for the corresponding year.

Basis of consideration

The pricing of the products under the New Bosch Sales Agreement is determined by reference to the actual or reasonable costs incurred by the Company (including but not limited to raw material costs and assembly costs) plus a reasonable profit margin as there are no sufficient comparable transactions. The price of the raw materials will be determined by reference to the market price of the raw materials in a sufficiently comparable market or the actual cost of raw materials purchased by the Company.

The above profit margin shall be determined after arm's length negotiations between the parties after taking into account, among other things, the sound cooperative relationship between the Company and the Bosch JV Company, the Company currently being the sole supplier of the part to the Bosch JV Company, the Company's production and assembly technology and standard of quality for commercial vehicles parts, the domestic market demand for the parts of electric drive gearboxes, and with reference to the average profit margin of new energy vehicles in the domestic market in 2024 in the range of approximately 5% to 7%.

Proposed annual caps

The table below sets out the proposed annual caps for the transactions contemplated under the New Bosch Sales Agreement for the relevant years:

	Proposed annual caps (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
The New Bosch Sales Agreement	326,470,000	668,190,000	1,120,730,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Bosch Sales Agreement and the transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The above proposed annual caps for the transactions contemplated under the New Bosch Sales Agreement were determined by the Board with reference to, among other things, (i) the market prices of raw materials for gearbox sub-assemblies and their trend; (ii) the procurement and assembly capabilities of the Company and its subsidiaries; and (iii) the expected demand for gearbox sub-assemblies by the Bosch JV Company since the New Bosch Sales Agreement having become effective till the end of 2028.

Reasons for and benefits of entering into the New Bosch Sales Agreement

The Bosch JV Company is principally engaged in the research and development, production, sales and provision of related service of hydrogen-powered systems. The Bosch JV Company intends to manufacture products (including but not limited to electric drive gearbox) that are compatible with its hydrogen-powered systems, and has begun to identify the supply of gearbox sub-assemblies in the market that can cope with the Bosch JV Company's specifications and quality standards.

With the emergence of the new energy vehicle industry, the demand for traditional fuel vehicle gearboxes is gradually weakening, while the demand for electric drive gearboxes is gradually increasing. By virtue of the similarities between traditional fuel vehicle gearboxes and electric drive gearboxes, the Company can leverage its relatively comprehensive technology in traditional fuel vehicle gearboxes to gradually transform and upgrade its gearboxes, thereby expanding the Company's electric drive product industry.

Since late 2021, the Company has been purchasing from the Bosch JV Company hydrogen-powered modules produced by it and has established a sound cooperative relationship with the Bosch JV Company. On the one hand, the Bosch JV Company possesses strong development capabilities in hydrogen-powered systems and has a strong brand influence in the new energy vehicle market. On the other hand, the Company has technological advantages in mass production of high-quality automotive parts and has a vast supply network of raw materials for automotive parts. The cooperation between the Company and the Bosch JV Company is able to achieve complementary advantages and a win-win situation, particularly, the Company is currently the sole supplier of electric drive gearbox to the Bosch JV Company, enabling the Company to fully utilise its existing equipment and personnel technical experience to produce gearboxes that meet the quality standards of Bosch while obtaining reasonable returns.

In addition, through the cooperation with the Bosch JV Company, the Company can acquire the technology for producing electric drive gearboxes and cultivate talents in the research and development, manufacturing, sales and other aspects of electric drive gearboxes, which lays a foundation for the Company to develop electric drive products that meet the demands of the new energy vehicle industry, and seize the opportunity of the growing domestic market demand for electric drive components to maximise the profits. Accordingly, the Company has entered into the New Bosch Sales Agreement with the Bosch JV Company.

The Directors (including the independent non-executive Directors are of the view that the terms (including the pricing) of the New Bosch Sales Agreement are fair and reasonable and on normal commercial terms, and that the relevant transactions will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Bosch Sales Agreement will be conducted in accordance with the terms of the New Bosch Sales Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

6. THE NEW SUPPLY AGREEMENT

Date	:	30 December 2025
Parties	:	(i) The Company; and (ii) IEC
Term	:	Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules
Nature of the transaction	:	(a) Supply of engine parts and raw materials required for the manufacturing of engines by the Company to IEC; and (b) Supply of engines and their parts by IEC to the Company
Price determination	:	As there is no sufficient comparable transaction, prices shall be determined based on the actual costs incurred plus a premium of not exceeding 10%. Such premium shall be finalised by both parties on the basis that it is fair and reasonable to both parties.
Payment term	:	Payment of products for the preceding month shall be made by the end of each month

Pursuant to the New Supply Agreement, the parties shall enter into separate definitive agreement(s) with detailed terms in relation to the supply of products in accordance with the underlying principles under the New Supply Agreement. Such detailed terms shall include, without limitation, order-making procedure rule, orders, price, payment and settlement terms, quantity, standard of quality, inspection of products, product liability, liability for compensation and other terms and conditions in relation to the sale and purchase of specific types of products.

Should IEC cease to be a connected person of the Company and the transactions under the New Supply Agreement cease to be a continuing connected transaction of the Company, the Company is entitled to terminate the New Supply Agreement upon giving written notice to IEC.

Historical transaction amounts

The following table sets out the historical transaction amounts in respect of the supply of engine parts and raw materials by the Company to IEC, and the supply of engines and their parts by IEC to the Company under the Supply Agreement, together with their respective annual caps, for the relevant years:

		Actual amount incurred (in RMB) *(Approximate)*			Annual caps (in RMB)		
		For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2025
(a)	Supply of engine parts and raw materials by the Company to IEC	256,570,000	174,860,000	197,060,000	935,790,000	1,147,960,000	1,478,380,000
(b)	Supply of engines and their parts by IEC to the Company	603,790,000	638,240,000	548,270,000	1,819,140,000	2,219,230,000	2,854,940,000

None of the transaction amounts for the three years ended 31 December 2025 above exceeded their respective annual caps for the corresponding years.

Basis of consideration

The consideration payable by the relevant parties under the New Supply Agreement was determined after arm's length negotiations between the parties thereto. As there are no sufficient comparable transactions, the consideration will be determined based on the actual costs incurred plus a premium of not exceeding 10%, which were determined with reference to the statistics of Economic Efficiency Indicators for the Automotive Industry from the NBS (2023 and 2024: the average profit margins of the PRC's automobile industry were 5.04% and 4.34%, respectively, and the average profit margins of the PRC's automobile parts industry were 5.3% and 4.7%, respectively).

In relation to the supply of engines and their parts by IEC to the Company, although the maximum profit margin of 10% is slightly higher than the average level of the industry, the Company considers that (i) the maximum profit margin of 10% is reasonable as the production of engine assemblies, being the core parts of the Isuzu vehicles rather than merely single parts, requires a higher technical level as compared to the manufacturing of other general parts and therefore a higher profit margin for engine assemblies is commercially justifiable; and (ii) the qualities of the engine assemblies and parts provided by IEC are higher than the market level and such products are in full compliance with the technology and performance standard as required for Isuzu vehicles. In determining the prices of the products to be supplied by IEC to the Company, the Company will arrange formal business negotiations with IEC regularly and request IEC to provide a cost list for its products (which includes names of products and costs of products (such as material fees and production fees)) so that the Company can examine and determine the prices of the products to be supplied by IEC to the Company under the New Supply Agreement.

In relation to the supply of engine parts and raw materials by the Company to IEC, prices of engine parts and raw materials shall also be determined based on the actual costs incurred plus a premium of not exceeding 10%. Nevertheless, the engine parts and raw materials to be supplied by the Company to IEC under the New Supply Agreement will be used by IEC for assembling and composing engine assemblies, and such engine assemblies will be subsequently sold back to the Company exclusively by IEC. As the engine assemblies will be sold back to the Company at actual costs incurred, which include costs of engine parts and raw materials purchased from the Company, plus a profit margin, such engine parts and raw materials will be sold by the Company to IEC at a low margin so as to lower the prices of the engine assemblies to be sold by IEC to the Company under the New Supply Agreement. Given that the profit margin charged to IEC for the sale of engine parts and raw materials by the Company to IEC under the New Supply Agreement will be set off by the additional cost charged to the Company for the sale of engine assemblies by IEC, the Company considered that it is commercially justifiable to sell the engine parts and raw materials under the New Supply Agreement to IEC, which will be solely used for assembling and composing

engine assemblies for exclusive sale to the Company, with a low markup. If the engine parts and raw materials to be supplied by the Company to IEC under the New Supply Agreement are not used for assembling and composing engine assemblies which will be subsequently sold back to the Company exclusively, the Company will charge a profit margin based on normal commercial terms. During the years from 2023 to 2025, the Company sold engine parts and raw materials under the Supply Agreement to IEC at a premium ranging from approximately 0 to 8%, whilst it is expected that the Company will continue to charge IEC for the sale of any engine parts and raw materials under the New Supply Agreement at a premium of similar level for the three years ending 31 December 2028.

In addition, save for qingling motors outlets, the Company will not supply the engine parts and raw materials under the New Supply Agreement to any Independent Third Parties because such products are tailor-made for IEC and not for sale to other third parties. The Company will sell such engine parts and raw materials to qingling motors outlets, which are owned by Independent Third Parties, solely for the purposes of automobile maintenance and parts replacement. During the years from 2023 to 2025, the Company sold engine parts and raw materials under the Supply Agreement to qingling motors outlets at a profit margin ranging from approximately 10% to 30%, whilst it is expected that the Company will continue to charge qingling motors outlets for the sale of any engine parts and raw materials under the New Supply Agreement exclusively for the purposes of automobile maintenance and parts replacement at a profit margin of similar level for the three years ending 31 December 2028.

Based on the above factors, the pricing policy of the New Supply Agreement is considered to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Proposed annual caps

The proposed annual caps for the transactions contemplated under New Supply Agreement for the relevant years are as follows:

		Proposed annual caps (in RMB)		
		For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
(a)	Supply of engine parts and raw materials by the Company to IEC	445,200,000	530,600,000	637,000,000
(b)	Supply of engines and their parts by IEC to the Company	1,103,580,000	1,343,550,000	1,613,000,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Supply Agreement and the transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

The aforesaid proposed annual caps for the New Supply Agreement each represents the estimated transaction amounts in each relevant year in respect of each of (a) the supply of engine parts and raw materials by the Company to IEC; and (b) the supply of engines and their parts by IEC to the Company, and are determined with reference to (i) the production capacity of each car model of the Group; (ii) the expected sales volume of the Company during the term of the New Supply Agreement; and (iii) the aggregate supply and demand of IEC during the term of the New Supply Agreement. Further details of the basis of the proposed annual caps are set out in the sub-section headed "Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

Reasons for entering into the New Supply Agreement

To enjoy the economies of scale, the business of the Group requires certain degree of division of labour among its members, with each Group member specialising in a particular area of business, such as production of engines, marketing, provision of repair and maintenance services, testing services, etc. IEC is principally engaged in the manufacturing and sales of vehicle-used engines and their parts. The Directors believe that supply of engines and their parts by IEC to the Company and the supply of engine parts and raw materials by the Company to IEC would facilitate the operation of the Group and minimise the costs of the Group in acquiring similar products from Independent Third Parties.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the pricing) of the New Supply Agreement are fair and reasonable and on normal commercial terms, and that the relevant transactions are 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Supply Agreement will be conducted in accordance with the terms of the New Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. With respect to the engines and their parts to be supplied by IEC to the Company, the Company will request IEC to supply the actual costs of the relevant products prior to the pricing of

the transactions under the New Supply Agreement. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

7. THE NEW AUTOPARTS AND MATERIALS AGREEMENT

Date : 30 December 2025

Parties : (i) The Company;

(ii) CQCC;

(iii) CQFC;

(iv) CQACL;

(v) CQAC;

(vi) CQPC;

(vii) CQNHK;

(viii) Qingling Zhuanyong Chassis;

(ix) Qingling Zhuanyong Brake; and

(x) Qingling Zhuanyong

Term : Subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM, from 1 January 2026 to 31 December 2028, and renewable upon expiry if agreed by all parties and (if necessary) having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules

Nature of the transaction : The Company will:

(i) supply to CQCC scrap metal, such as scrap steel and mechanical processing iron scrap left over from the Company's manufacturing process, for further smelting, casting and manufacturing of auto parts by CQCC;

(ii) supply to CQNHK and Qingling Zhuanyong semi-finished auto parts, including but not limited to axle housing, ring stiffner and car hood, for further production and manufacturing of auto parts by CQNHK and Qingling Zhuanyong; and

(iii) supply to all Qingling Autoparts Companies crafting materials including but not limited to gasoline, diesel, cutting fluid, tools and equipment, and machinery spare parts, which will be sourced by the Company from suppliers which are Independent Third Parties.

Price determination : Detailed terms shall be made on normal commercial terms or better to the Company and on terms no less favourable than those offered by the Company to Independent Third Parties or by Independent Third Parties to the Company, of which:

(i) in respect of the supply of scrap metal by the Company to CQCC, the prices shall not be lower than the market price of scrap metal of the same type and the prices of such scrap metal sold by the Company to Independent Third Parties (if any). The exact price will be determined based on the public trading prices of scrap metal of the same or similar type, specifications and quality in the scrap metal trading market where the Company locates, taking into consideration trading conditions such as transportation, loading and unloading and method of payment and will be negotiated and confirmed by the Company and CQCC;

(ii) in respect of the supply of the semi-finished auto parts by the Company to CQNHK and Qingling Zhuanyong, the prices will be determined based on costs incurred by the Company plus a profit margin of not exceeding 8%; and

(iii) in respect of the supply of crafting materials by the Company to all Qingling Autoparts Companies, the prices will be determined based on the cost of sourcing such crafting materials by the Company from suppliers which are Independent Third Parties plus a profit margin of not exceeding 8%.

The New Autoparts and Materials Agreement is a master agreement which sets out the principles upon which detailed terms in relation to the supply of products are to be determined between the Company on one hand, and the Qingling Autoparts Companies on the other.

Pursuant to the New Autoparts and Materials Agreement, the Company will enter into separate definitive agreement(s) with the Qingling Autoparts Companies from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Autoparts and Materials Agreement. Such detailed terms include, but without limitation, price, payment and settlement terms, quantity, standard of quality, delivery and inspection of products (where applicable) and other terms and conditions in relation to the supply of products.

The Company and the Qingling Autoparts Companies agree that such detailed terms shall be on normal commercial terms or better, and so far as the Company is concerned, on terms no less favourable than those offered by the Company to Independent Third Parties or those offered by Independent Third Parties to the Company.

Historical transaction amounts

The following table sets out the historical transaction amounts for the Autoparts and Materials Agreement, together with their respective annual caps, for the relevant period or years:

	Actual amount incurred (in RMB) *(Approximate)*			**Annual caps (in RMB)**		
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**	**For the year ended 31 December 2023**	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**
Autoparts and Materials Agreement	29,940,000	50,930,000	52,530,000	73,450,000	81,340,000	93,860,000

None of the transaction amounts for the three years ended 31 December 2025 above exceeded their respective annual caps for the corresponding years.

Basis of consideration

The consideration recoverable by the Company under the New Autoparts and Materials Agreement is set based on the pricing policies set out in the subparagraph headed "Price determination" above with reference to either the market prices or the costs of the scrap metal, semi-finished auto parts and crafting materials to be supplied, and is determined with reference to, among other things, the average profit margin of 4.34% for China's automotive industry in 2024 as stated in the Economic Efficiency Indicators for the Automotive Industry from the NBS.

Proposed annual caps

The table below sets out the proposed annual caps for the transactions contemplated under the New Autoparts and Materials Agreement for the relevant years:

	Proposed annual caps (in RMB)		
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
New Autoparts and Materials Agreement	204,320,000	324,730,000	357,870,000

The Company will seek approval from the Independent Shareholders in respect of the entering into of the New Autoparts and Materials Agreement and the respective transactions contemplated thereunder as well as the aforesaid proposed annual caps.

Basis of proposed annual caps

Each of the aforesaid annual caps of the New Autoparts and Materials Agreement represents an aggregate of the estimated transaction amounts in respect of the supply of (i) scrap metal; (ii) semi-finished auto parts; and (iii) crafting materials by the Company to the relevant Qingling Autoparts Companies in each relevant year.

The estimated transaction amounts in respect of the supply of scrap metal by the Company under the New Autoparts and Materials Agreement were ascertained with reference to the actual amount of the relevant scrap metal left over from the Company's manufacturing process in 2024 and the amount of scrap metal to be produced for the three years ending 31 December 2028 based on the estimated sales volume of the Company's products.

The estimated transaction amounts in respect of the supply of semi-finished auto parts by the Company under the New Autoparts and Materials Agreement were ascertained with reference to the estimated demand for such semi-finished auto parts for the three years ending 31 December 2028.

The estimated transaction amounts in relation to the supply of crafting materials by the Company under the New Autoparts and Materials Agreement were ascertained with reference to the purchase and consumption of crafting materials by the Qingling Autoparts Companies in 2024 and the projected increase in demand for crafting materials, in line with the anticipated growth in business of the Qingling Autoparts Companies in the three years ending 31 December 2028.

Reasons for entering into the New Autoparts and Materials Agreement

Scrap metal, such as scrap steel and mechanical processing iron scrap, has been left over from the production process of the Company, while companies which have supplied and will continue to supply auto parts to the Company, such as CQCC, has been purchasing scrap metal on market for the manufacturing of such auto parts. In view of a matching of resources, the Company entered into the New Autoparts and Materials Agreement to supply scrap metal to CQCC to enhance quality management and lower the costs of the auto parts which will in turn be supplied by CQCC to the Company.

Similarly, by leveraging the Company's mature technology know-how and to maximise the Company's existing processing capacity, the Company will manufacture and supply to CQNHK semi-finished stamping auto parts, which will be further processed into final auto parts and will in turn be supplied to the Company, thereby maintaining the quality while lowering the costs of the auto parts to be in turn supplied by CQNHK to the Company. The Company will supply to Qingling Zhuanyong semi-finished stamping auto parts for further processing into auto parts for modified cars, so as to enhance the sales of modified cars, and thereby enhancing the market share of the various types of chassis produced by the Group.

Moreover, as the Company has been sourcing crafting materials for its own consumption during the production process, the Company will also, pursuant to the New Autoparts and Materials Agreement, source appropriate crafting materials for the Qingling Autoparts Companies, taking advantage of bulk-purchasing of such materials. This practice will enable the Company to strengthen the Company's technical support and management of the crafting materials used by the Qingling Autoparts Companies for manufacturing auto parts to be supplied to the Company, and to lower the costs of products to be supplied to the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms (including the pricing) of the New Autoparts and Materials Agreement are fair and reasonable and on normal commercial terms or better, and that the relevant transactions 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.

Internal control

The Company has implemented internal control measures to ensure that the transactions under the New Autoparts and Materials Agreement will be conducted in accordance with the terms of the New Autoparts and Materials Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to Independent Third Parties), and in accordance with the pricing policy of the Company. Details of the internal control procedures are set out in the sub-section headed "Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" under the section headed "Non-exempt Continuing Connected Transactions" in this letter from the Board on pages 3 to 46 of this circular.

Further details on the basis of the proposed annual caps of the Non-exempt Continuing Connected Transactions

In arriving at the proposed annual caps for each of the Non-exempt Continuing Connected Transactions, the Board has considered:

(1) the manufacturing and/or sales plan of the respective counterparties to the Non-exempt CCT Agreements for the three years ending 31 December 2028; and

(2) the anticipated transaction amounts and prices of the products and/or services involved under the Non-exempt CCT Agreements for the three years ending 31 December 2028.

The Board has provided for an adjustment of the proposed annual caps for certain Non-exempt Continuing Connected Transactions for the three years ending 31 December 2028 taking into account the following factors:

(1) the economy in the PRC is recovering gradually and the business and operation of the Group and the counterparties to the Non-exempt CCT Agreements are expected to achieve steady growth in the coming three years ending 31 December 2028;

(2) demand for new energy vehicles (such as hydrogen-powered vehicles) is expected to gradually rise and such new energy vehicles are likely to become the mainstream of commercial vehicles for the three years ending 31 December 2028 under the influence of (a) enhanced requirements for environmental protection and energy saving and (b) new policies put forward by the PRC government from time to time;

(3) during the national sixth phase (國六時期), the attributes of high quality and low fuel consumption of the Company's products has enabled them to stand out in the market. Particularly, as middle body series of the Company's automobiles have been developed in addition to the traditional narrow and wide body series of the same, the variety of choices have brought along a relatively large increase in the demand for the Company's light trucks and such increasing trend is expected to continue for the three years ending 31 December 2028;

(4) the PRC has become the world's second largest automobile exporter, it is expected that exports of automobile will increase significantly in the future. In this relation, the Company has been working with its authorised export agents and the operation system of Isuzu to promote the overseas target market access certification, business flow, logistics and network system construction, which is expected to lead to an increase in the export volume for the three years ending 31 December 2028;

(5) the upgrade of the interior parts of the Company's automobile has led to an increase in value of individual automobile interior part; and

(6) to cater for the market demand on tailor-made products, the Company has continuously expanded its product technology platforms, enriched and widened its product spectrum and varieties.

As such, the Board has determined and adjusted the proposed annual caps for the three years ending 31 December 2028 for the relevant Non-exempt Continuing Connected Transactions accordingly, having considered the abovementioned factors.

Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions

The Company has adopted the following internal control measures and procedures to ensure that (i) the terms of the Non-exempt CCT Agreements are fair and reasonable, on normal commercial terms (or, where applicable, on terms no less favourable than those available to Independent Third Parties), and in accordance with the pricing policy of the Company; and (ii) the transactions are conducted in accordance with the terms of the Non-exempt CCT Agreements:

(1) the Company has adopted and implemented a management system on connected transactions. According to such system, the planning department of the Company is responsible for conducting reviews on compliance with relevant laws, regulations, company policies and the Listing Rules of the Non-exempt CCT Agreements and the transactions contemplated thereunder. In addition, the finance department, procurement department and other relevant operation departments of the Company are jointly responsible for evaluating the terms of the Non-exempt CCT Agreements, in particular, the fairness and reasonableness of the pricing terms under each agreement; and

(2) The independent non-executive Directors have also reviewed the Non-exempt CCT Agreements and will continue to review and monitor the Non-exempt Continuing Connected Transactions to ensure such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the pricing and annual caps of the Non-exempt Continuing Connected Transactions.

For illustrative purpose, when determining the actual selling price of a part or product to be supplied to the Company under the Non-exempt CCT Agreements, the corresponding vendor will provide the Company with a proposed price. As mentioned above, in order to ensure that the pricing terms under the Non-exempt CCT Agreements are fair and reasonable, the Company's finance department and other relevant operation departments will review the proposed price provided by the vendor in the following manner:

(a) if comparable market price is available, the proposed price will be compared with the market price to ensure that such proposed price is not higher than the selling price of the part or product with similar specifications, technology and quality requirements, etc. provided by any other third party manufacturer or vendor in the market;

(b) if no comparable market price is available, whether or not the proposed price is fair and reasonable will be determined based on the total cost of the part or product, which is estimated with reference to (i) the market price of the raw materials or semi-finished products forming the part or product; and (ii) the cost estimated to be required for manufacturing such part or product based on requirements in relation to the nature, functionality, technology and quality standards, etc., plus a profit margin of not more than the maximum profit margin level as stipulated under the relevant agreement, depending on the complexity of technologies and quality control procedures involved; and

(c) the proposed price will be further reviewed to ensure that it is in line with the pricing terms of the relevant agreement and, where applicable, the terms provided to the Company are no less favourable than those offered by the relevant vendor to an Independent Third Party.

In order to facilitate the abovementioned reviewing procedures, the planning department of the Company has a professional team which possesses market intelligence, knowledge and experience regarding the relevant technology, quality, pricing and profit margin level of different types of parts or products (including statistics obtained from the Economic Efficiency Indicators for the Automotive Industry from the NBS). Meanwhile, with the assistance of the relevant procurement experience of its procurement department, the Company is able to gather information on market prices and profit margin levels of different parts and products as well as their raw materials in the industry through industrial associations and independent autoparts suppliers in the PRC, which could then be used by the Company for comparison.

INFORMATION ON THE COMPANY AND THE COUNTERPARTIES

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

Isuzu is principally engaged in the production and sales of commercial vehicles and diesel engines.

Qingling Moulds is principally engaged in the manufacturing and sales of moulds.

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.

CQCC is principally engaged in the manufacturing and sales of automobile parts and components and cast parts.

CQFC is principally engaged in the manufacturing and sales of automobile parts and components and forging parts.

CQAC is principally engaged in the manufacturing and sales of motor vehicle axles and other parts and components.

CQNHK is principally engaged in the manufacturing and sales of motor vehicle seats, interior accessories and other seats.

CQPC is principally engaged in the manufacturing and sales of plastic automobile parts and other plastic parts and components.

CQACL is principally engaged in the manufacturing and sales of cast aluminum automobile parts and other cast aluminum parts and components.

Qingling Zhuanyong Chassis is principally engaged in the development, design, manufacturing, sales and providing technical services of automobile parts and components.

Qingling Zhuanyong Brake is principally engaged in the development, design, manufacturing, sales and providing services of automobile parts and components.

Qingling Zhuanyong is principally engaged in the development, design and manufacturing of various types of special vehicles, sales and providing services of automobile parts and components and providing technical services for special vehicles.

The Bosch JV Company is principally engaged in the research and development, production, sales and providing services of hydrogen-powered systems.

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

Yu Gao is principally engaged in the development of high-tech products, self-production and sales, provision of technical services, infrastructure construction such as energy and municipal transportation, real estate development and property management, etc..

IJTT is principally engaged in the manufacturing of transport equipment.

NHK is principally engaged in the manufacturing and sales of suspension springs, automatic car seats, precision springs, suspensions used for hard disk drive, mechanism parts used for hard disk drive and industrial parts.

Isuzu China is principally engaged in the investment in PRC's automobile industry, the purchase and export of goods within the PRC that do not involve export quotas or export licence management and the provision of consulting services related to investment activities to corporate investors, etc..

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company and given that CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, Qingling Zhuanyong and the Bosch JV Company are owned as to 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100%, 100% and 40%, respectively by Qingling Group, they are associates of Qingling Group. Therefore, Qingling Group, CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, Qingling Zhuanyong and the Bosch JV Company are all connected persons of the Company under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, Isuzu is a substantial shareholder of the Company holding approximately 20% of the entire issued share capital of the Company and is a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the entering into of each of the New Chassis Supply Agreement, the New Parts Supply Agreements, the New Qingling Zhuanyong Moulds Supply Agreement, the New Hydrogen-powered Modules Supply Agreement, the New Bosch Sales Agreement and New Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As illustrated above, as at the Latest Practicable Date, Qingling Group is the controlling shareholder of the Company, and Isuzu is a substantial shareholder of the Company, each of Qingling Group and Isuzu is therefore a connected person of the Company under Chapter 14A of the Listing Rules. IEC is owned as to 50.61%, 30.06% and 19.33% by Isuzu, Qingling Group and the Company, respectively. Consequently, IEC is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the New Supply Agreement with IEC constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Non-exempt Continuing Connected Transactions

As the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions under (i) the New Chassis Supply Agreement; (ii) the New Parts Supply Agreements, when aggregated with one another in accordance with Rules 14A.81 to 14A.83 of the Listing Rules; (iii) the New Qingling Zhuanyong Moulds Supply Agreement, when aggregated with the New Parts Supply Agreements in accordance with Rules 14A.81 to 14A.83 of the Listing Rules; (iv) the New Hydrogen-powered Modules Supply Agreement; (v) the New Bosch Sales Agreement; (vi) the New Supply Agreement; and (vii) the New Autoparts and Materials Agreement will be, on an annual basis, more than 5%, such continuing connected transactions are subject to reporting and announcement requirements set out in Rules 14A.49 and 14A.35, the annual review requirements set out in Rules 14A.55 and 14A.59 and also the Independent Shareholders' approval requirements set out in Rule 14A.36, of the Listing Rules.

In order to ensure compliance with the requirements of Chapter 14A of the Listing Rules, during the period from 1 January 2026 to the date when the Independent Shareholders' approval is obtained, the amounts payable by the parties to the Non-exempt CCT Agreements for the transactions contemplated thereunder are expected to fall below the de minimis threshold for the applicable percentage ratios as stipulated under Rule 14A.76(2) of the Listing Rules, therefore such transactions will be exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules and such information will be disclosed in the Company's poll results announcement to be published in respect of the EGM.

If the aggregate annual amount of each of the transactions contemplated under the Non-exempt CCT Agreements is likely to exceed the respective proposed annual caps provided in this circular pursuant to Chapter 14A of the Listing Rules or should there be any material change to the terms of any of the Non-exempt CCT Agreements, the Company will take necessary steps to ensure compliance with all applicable rules under Chapter 14A of the Listing Rules.

GENERAL

The Company will seek the approval of the Independent Shareholders in relation to, among others, the Non-exempt Continuing Connected Transactions. Ordinary resolutions will be proposed at the EGM to be voted by the Independent Shareholders by way of poll to approve the Non-exempt CCT Agreements, the Non-exempt Continuing Connected Transactions and their respective proposed annual caps. At the EGM, any Shareholder with a material interest in the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as set out in the ordinary resolutions is required to abstain from voting on the resolution approving the relevant Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions and related matters.

The Independent Board Committee has been formed to advise the Independent Shareholders as to, among other things, whether the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM, taking into account the recommendations of the Independent Financial Adviser.

Halcyon Capital Limited has been appointed by the Company as its independent financial adviser to give recommendations to the Independent Board Committee and the Independent Shareholders as to, among other things, whether the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM.

As at the Latest Practicable Date, to the extent that the Directors are aware having made all reasonable enquiries, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company, and it controls or is entitled to exercise control over the voting rights in respect of such shares. Qingling Group also holds as to 30.06% of IEC, 40% of the Bosch JV Company, 100% of CQCC, 100% of CQFC, 100% of CQAC, 100% of CQACL, 100% of CQPC, 100% of CQNHK and 100% of Qingling Zhuanyong Brake. In view of the aforesaid interest held by Qingling Group in the Company, IEC, the Bosch JV Company, the relevant Qingling Group Companies and Qingling Zhuanyong Brake respectively, Qingling Group and its associates will be required to abstain from voting on ordinary resolutions to be proposed at the EGM in respect of the New Chassis Supply Agreement, the New Parts Supply Agreements, the New Qingling Zhuanyong Moulds Supply Agreement, the New Hydrogen-powered Modules Supply Agreement, the New Supply Agreement and the New Autoparts and Materials Agreement and their respective proposed annual caps.

As at the Latest Practicable Date, to the extent that the Directors are aware having made all reasonable enquiries, Isuzu is a substantial shareholder of the Company holding approximately 20% of the entire issued share capital of the Company, and it controls or is entitled to exercise control over the voting rights in respect of such shares. Isuzu also holds as to 50.61% of IEC and 50% of the Sales JV Company. In view of the aforesaid interest held by Isuzu and/or Isuzu China in the Company, IEC and the relevant Qingling Group Companies respectively, Isuzu and its associates will be required to abstain from voting on ordinary resolutions to be proposed at the EGM in respect of the New Parts Supply Agreements and the New Supply Agreement and their respective proposed annual caps.

Mr. LUO Yuguang and Mr. XU Song, the Directors, also being directors of Qingling Group, have abstained from voting on the resolutions in relation to the transactions contemplated under the relevant Non-exempt CCT Agreements to which any of Qingling Group and/or its associates is a party as proposed to the Board. Mr. KIJIMA Katsuya, an executive Director, holding 3,349 shares of Isuzu, representing approximately 0.0004% of the total number of issued shares of Isuzu as at the Latest Practicable Date, has abstained from voting on the resolutions in relation to the transactions contemplated under the relevant Non-exempt CCT Agreements to which any of Isuzu and/or its associates is a party as proposed to the Board. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Non-exempt CCT Agreements and therefore none of them is required to abstain from voting on the relevant Board resolutions approving the same.

THE EGM

The relevant ordinary resolutions in relation to the Non-exempt CCT Agreements, the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps above are set out in the notice of the EGM on pages EGM-1 to EGM-6 of this circular. A form of proxy for use at the EGM is enclosed in this circular.

The EGM will be held at the Conference Room, Intelligent Network New Energy Commercial Vehicle Research and Development Center (智能網聯新能源商用車研發中心) of the Company, 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the PRC on Friday, 15 May 2026 at 10 a.m..

If you do not intend or are not able to attend the EGM and intend to appoint a proxy to attend and vote on behalf of you, you are requested to complete and return as soon as possible the form of proxy to the legal address of the Company at 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the PRC (in the case of proxy form of holders of Domestic Shares) or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in the case of proxy form of holders of H Shares) in accordance with the instructions printed thereon, in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

RECOMMENDATION

The Independent Board Committee, having taken into account the recommendations from Halcyon Capital Limited, the Independent Financial Adviser, considers that the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and on normal commercial terms so far as the Independent Shareholders are concerned, and such transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable and on normal commercial terms, and such transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 53 to 54 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps and the letter from the Independent Financial Adviser set out on pages 55 to 114 of this circular containing its recommendations to the Independent Board Committee and the Independent Shareholders in connection with the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps, together with the principal factors and reasons considered by them in arriving at such recommendations.

Yours faithfully,
For and on behalf of the Board of
Qingling Motors Co. Ltd
LUO Yuguang
Executive Director and Chairman

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)

The Independent Board Committee:

Mr. LONG Tao
Mr. SONG Xiaojiang
Mr. LIU Tianni
Ms. CHEN Yen Yung

17 April 2026

To the Independent Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to its shareholders dated 17 April 2026 (the "**Circular**"), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as given to them in the section headed "Definitions" of the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned, whether such transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, and whether they are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote on the resolutions to be proposed at the EGM.

Having taken into account the recommendations from Halcyon Capital Limited, the Independent Financial Adviser, and, in particular, the principal factors and reasons considered by the Independent Financial Advisers as set out in the letter from the Independent Financial Adviser, we consider that the terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned, such transactions are conducted on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions as well as their respective proposed annual caps.

The letter from the Independent Financial Adviser containing its recommendations to the Independent Board Committee and the Independent Shareholders, and the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at such recommendations is set out on pages 55 to 114 of the Circular.

Yours faithfully,
The Independent Board Committee of
Qingling Motors Co. Ltd
Mr. LONG Tao, Mr. SONG Xiaojiang,
Mr. LIU Tianni, Ms. CHEN Yen Yung
Independent non-executive Directors

The following is the full text of the letter of advice from Halcyon Capital Limited to the Independent Board Committee and the independent Shareholders, which has been prepared for the purpose of the inclusion in this circular.



Halcyon Capital Limited
Rm 3401, 34/F, Hopewell Centre,
183 Queen's Road East,
Wanchai, Hong Kong

17 April 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of certain non-exempt continuing connected transactions contemplated under (i) the New Chassis Supply Agreement; (ii) the New Parts Supply Agreement; and (iii) the New Qingling Zhuanyong Moulds Supply Agreement; (iv) the New Hydrogen-powered Modules Supply Agreements; (v) the New Bosch Sales Agreement; (vi) the New Supply Agreement; and (vii) the New Autoparts and Materials Agreement (the "**Non-exempting CCT Agreements**") and the respective proposed annual caps for the three years ending 31 December 2028 (the "**Proposed Annual Caps**"). Details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 17 April 2026 (the "**Circular**") of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 30 December 2025, the Company entered into various agreements with Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK, CQPC, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, Qingling Zhuanyong, Bosch JV Company and IEC (collectively, the "**Connected Persons**") respectively in relation to (i) the provision of automobile chassis and related components, parts of engines and raw materials, automobiles and their parts, consolidated services and lease of machineries, scrap materials, semi-finished auto parts and crafting materials, gearbox by the Company to the respective Connected Persons; and (ii) the provision of automobile parts and other parts and components, moulds and related products and maintenance and processing services, hydrogen-powered modules and engines and their parts by the respective Connected Persons to the Group, for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon the obtaining of the approval by the Independent Shareholders at the EGM.

As at the Latest Practicable Date, to the extent that the Directors are aware having made all reasonable enquiries, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the entire issued share capital of the Company and it controls or is entitled to exercise control over the voting rights in respect of such shares. Qingling Group also holds as to 30.06% of IEC, 40% of the Bosch JV Company, 100% of CQCC,100% of CQFC, 100% of CQAC, 100% of CQACL, 100% of CQPC, 100% of CQNHK and 100% of Qingling Zhuanyong Brake and were associates of Qingling Group. Furthermore, to the extent that the Directors are aware having made all reasonable enquiries, Isuzu is a substantial shareholder of the Company holding approximately 20% of the entire issued share capital of the Company, and it controls or is entitled to exercise control over the voting rights in respect of such shares. Isuzu also holds as to 50.61% of IEC and 50% of the Bosch JV Company.. Accordingly, Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK, CQPC, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, Qingling Zhuanyong, Bosch JV Company and IEC are all connected persons of the Company under Chapter 14A of the Listing Rules. Therefore, the entering into of each of the (i) the New Chassis Supply Agreement; (ii) the New Parts Supply Agreements; and (iii) the New Qingling Zhuanyong Moulds Supply Agreement; (iv) the New Hydrogen-powered Modules Supply Agreements; (v) the New Bosch Sales Agreement; (vi) the New Supply Agreement; and (vii) the New Autoparts and Materials Agreement constitutes continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the proposed annual caps for the continuing connected transactions contemplated under (i) the New Chassis Supply Agreement; (ii) the New Parts Supply Agreements, when aggregated with one another in accordance with Rules 14A.81 to 14A.83 of the Listing Rules; (iii) the New Qingling Zhuanyong Moulds Supply Agreement, when aggregated with the New Parts Supply Agreements in accordance with Rules 14A.81 to 14A.83 of the Listing Rules; (iv) the New Hydrogen-powered Modules Supply Agreements; (v) the New Bosch Sales Agreement; (vi) the New Supply Agreement; and (vii) the New Autoparts and Materials Agreement will be, on an annual basis, more than 5%, such continuing connected transactions are subject to reporting and announcement requirements set out in Rules 14A.49 and 14A.35 of the Listing Rules, the annual review requirements set out in Rules 14A.55 and 14A.59 of the Listing Rules and also the Independent Shareholders' approval requirements set out in Rule 14A.36 of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. LONG Tao, Mr. SONG Xiaojiang, Mr. LIU Tianni and Ms. CHEN Yen Yung, has been established to advise the Independent Shareholders as to whether the Non-exempt Continuing Connected Transactions (including the Proposed Annual Caps) and the Non-exempting CCT Agreements are in the ordinary and usual course of business of the Group, on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to provide the Independent Board Committee and the Independent Shareholders with an independent opinion and recommendation in this regard.

Except for being appointed as the independent financial adviser in respect of the duration of the trademark licensing agreement dated 13 March 2024 (details of which have been set out in the announcement of the Company dated 13 March 2024) and this appointment as the Independent Financial Adviser and the normal professional fees paid or payable to us in connection therewith, we had no relationships with or interests in the Company and any other parties and no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. We are hence independent from the Company pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information, financial information and facts included in the Circular and supplied to us, and the representations expressed by the Directors and/or management of the Group (the "**Management**"), and have assumed that all such information, financial information, facts and any representations made to us, or referred to in the Circular, in all material aspects, were true, accurate and complete as at the time they were made and as at the Latest Practicable Date, have been properly extracted from the relevant underlying accounting records (in the case of financial information) and made after due and careful inquiry by the Directors and/or the Management. The Directors and/or the Management have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and representations provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

Our review and analyses were based upon, among others, the information provided by the Group including the announcements, financial reports of the Company and the Circular. We have also discussed with the Directors and/or the Management with respect to the terms of and reasons for the Non-exempt Continuing Connected Transactions contemplated under Non-exempting CCT Agreements and the Proposed Annual Caps and considered that we have reviewed sufficient information to reach an informed view and to justify reliance on the information provided and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and supplied to us by the Directors and/or the Management nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position, profitability or prospects of the Group, Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK, CQPC, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, Qingling Zhuanyong, Bosch JV Company, IEC and Isuzu and each of their respective associates, and the parties involved in the Non-exempt Continuing Connected Transactions contemplated under the Non-exempting CCT Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Non-exempt Continuing Connected Transactions (including the Proposed Annual Caps) and the Non-exempting CCT Agreements, we have considered the following principal factors and reasons:

1. Background and reasons for the Non-exempt Continuing Connected Transactions

Background of the parties to the Non-exempt CCT Agreements

The Group is principally engaged in the production and sale of Isuzu light, medium and heavy-duty trucks, pick-up trucks, automobile parts and accessories.

Isuzu, a substantial Shareholder holding approximately 20% of the entire issued share capital of the Company, is principally engaged in the production and sale of commercial vehicles and diesel engines.

Qingling Moulds is a domestic company established in the PRC which is owned as to 50.56% by the Company and 49.44% by Qingling Group. It is principally engaged in the manufacturing and sales of moulds.

Qingling Group, a controlling Shareholder holding approximately 50.01% of the entire issued share capital of the Company, 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.

CQCC, CQFC, CQAC, CQNHK, CQPC, CQACL, are principally engaged in the manufacturing and sale of (i) automobile parts and components and cast parts; (ii) automobile parts and components and forging parts; (iii) motor vehicle axles and other parts and components; (iv) motor vehicle seats, interior accessories and other seats; (v) plastic automobile parts and other plastic parts components; (vi) cast aluminium automobile parts and other cast aluminium parts and components, respectively.

Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, are principally engaged in the development, design, manufacturing, sales and the provision of (i) technical services of automobile parts and components; and (ii) services of automobile parts and components, respectively.

Qingling Zhuanyong, an associate of Qingling Group, is principally engaged in the development, design and manufacturing of various types of special vehicles, sales and providing services of automobile parts and components and providing technical services for special vehicles.

Bosch JV Company, an associate of Qingling Group, is principally engaged in the research and development, production, sales and provision of services related to hydrogen-powered systems.

IEC is a sino-foreign equity joint venture company established in the PRC which is owned as to 19.33% by the Company, 30.06% by the Qingling Group and 50.61% by Isuzu. It is principally engaged in the manufacturing and sale of vehicle-used engines and their parts.

Background of the Non-exempt Continuing Connected Transactions

The Group has been purchasing various automobile parts and other parts and components, hydrogen-powered modules and engine and their parts from Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK, CQPC, Bosch JV Company, Isuzu and IEC, and supplying automobile chassis and related components to Qingling Group, various parts of engines and raw materials to IEC and automobiles and their parts to Bosch JV Company under the Chassis Supply Agreement, the Parts Supply Agreements, the QM Moulds Supply Agreement, the Hydrogen-powered Modules Supply Agreement, the Bosch Sales Agreement, the Supply Agreement and the Autoparts and Materials Agreement. The above-mentioned agreements expired on 31 December 2025 and the Directors envisaged that the Group would continue such transactions on an on-going basis in 2026. As such, the Company entered into the New Chassis Supply Agreement with Qingling Group, the New Parts Supply Agreements (which comprises the New Qingling Group Agreement, the New CQACL Agreement, the New CQCC Agreement, the New CQFC Agreement, the New CQAC Agreement, the New CQNHK Agreement and the New CQPC Agreement) with Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK and CQPC respectively, the New Qingling Zhuanyong Moulds Supply Agreement, the New Hydrogen-powered Modules Supply Agreement, the New Bosch Sales Agreement with Bosch JV Company, the New Supply Agreement with IEC and the New Autoparts and Material Agreements with CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuangyong Brake, Qingling Zhuanyong, on 30 December 2025 to govern the abovementioned on-going transactions.

(a) The New Chassis Supply Agreement and the New Parts Supply Agreements

We were advised by the management of the Company that the Company is the only enterprise in the PRC engaging in the manufacturing of commercial vehicles under the brand name of Isuzu as at the Latest Practicable Date. The vehicles manufactured by the Group are mainly sold under the brand name of "Isuzu" and the automobile parts and components used therein must meet the "Isuzu" standard.

The Company and relevant Connected Persons are responsible for assembling certain parts of vehicles based on the product drawings, technology specifications and quality standards given or confirmed by Isuzu under its guidance. Without the authorities and technical know-how given by Isuzu or the Company, Independent Third Parties are unable to produce relevant parts that meet the quality standards of Isuzu. The Company and the relevant Connected Persons have already obtained the relevant authorization for the production of automobile parts and components that meet the quality standards of Isuzu, hence they are capable of manufacturing the said automobile parts based on specifications and quality standards of Isuzu.

In order for the Group's vehicles manufactured to be sold under the brand name of "Isuzu" to meet the quality standards of Isuzu, the Directors believe that the other suppliers do not possess such technical know-how and specific equipment that Isuzu has, and that even if the other suppliers may manufacture parts according to the same specifications, the quality of their products may not conform with the standards of Isuzu. Therefore, the Company has been procuring relevant parts from relevant Connected Person and has not looked for other sources of supply for purchasing various automobile parts and components specified under the New Parts Supply Agreements including, but not limited to, (a) stamping components, compartments and other parts and components; (b) cast aluminum parts and other parts and components; (c) cast parts of engine cylinder blocks, cylinder heads and main bearing covers and other parts and components; (d) raw casts of engine crankshafts and connecting rods and other parts and components; (e) front and rear motor vehicle axles and other parts and components; (f) motor vehicle seats and other parts and components; and (g) plastic parts and other parts and components; from the respective Connected Persons, which are specialized in the production and sale of the relevant parts and products specified under the New Parts Supply Agreements.

In addition, the Company has been selling automobile chassis and related components specified under the New Chassis Supply Agreement to Qingling Group for its manufacturing of modified vehicles (including but not limited to automobiles for transportation and cold storage vehicles) for a considerable time so as to meet the customised requirements for vehicles from customers and in turn enhance the sales of chassis of the Company.

Furthermore, the Group has agreed to provide the consolidated services under the New CQFC Agreement to CQFC such as (i) water, electricity and gas supply services; (ii) equipment repair technical services (including the Three Warranties); (iii) medical and hygiene services; (iv) telephone services for its regular operations; and (v) canteen services which will facilitate the operation of the Group and minimise the costs of the Group setting up crews to provide such services. Meanwhile, in order to better utilize the resources of the Group and centralize its management, the Group has agreed to lease the machinery to CQAC under the New CQAC Agreement for CQAC's production and testing of front and rear motor vehicle axles, which will then be provided by CQAC to the Company.

Having considered that:

(i) the Group needs to purchase various automobile parts and components and products specified under the New Parts Supply Agreements for its daily operation of manufacturing various types of vehicles from time to time;

(ii) Qingling Group, CQACL, CQCC, CQFC, CQAC, CQNHK, CQPC and Qingling Zhuanyong are specialized in the production and sale of the products specified under the New Parts Supply Agreements;

(iii) a majority of the vehicles manufactured by the Group are under the brand name of "Isuzu" and the automobile parts and components used by the Company must meet the "Isuzu" standard;

(iv) each of the relevant Connected Persons has obtained the technology know-how and specific equipment from Isuzu, and demonstrated with track records of being a reliable supplier and capable of manufacturing high-quality products in accordance with the specifications of the Company;

(v) other suppliers do not possess the distinctive technical know-how and specific equipment of Isuzu and thus their products may not meet the requirements and quality standards of Isuzu even though they may be capable of manufacturing similar parts;

(vi) the Company is specialized in the production and sale of automobile chassis and related components to vehicle refitting manufacturers. The supply of automobile chassis and related components to Qingling Group can expand the chassis production business of the Company and increase the turnover, sales volume and market share of the Company's chassis production business; and

(vii) the provision of consolidated services and lease of machinery by the Group to CQFC and CQAC respectively can utilize the Group's resources more effectively and generate additional income for the Group, we concur with the view of the Directors that it is reasonable for the Company to continue to source the products from the respective Connected Persons and to supply the products and/or provide relevant services to the respective Qingling Group Companies, and the transactions contemplated under the New Chassis Supply Agreement and the New Parts Supply Agreements are normal commercial transactions to be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(b) The New Qingling Zhuanyong Moulds Supply Agreement

Qingling Zhuanyong Brake is a company principally engaged in the development, design, manufacturing, sales and the provision of services of automobile parts and components, including moulds and related products and services. As Qingling Zhuanyong Brake is able to supply products that meet the "Isuzu" standard, Qingling Moulds intends to engage Qingling Zhuanyong Brake as one of its suppliers of the products under the New Qingling Zhuanyong Moulds Supply Agreement for its daily operation.

Given that (i) the Group needs to purchase moulds and related products and services under the New Qingling Zhuanyong Moulds Supply Agreement for its daily operation of manufacturing various types of vehicles from time to time; (ii) Qingling Zhuanyong Brake is specialized in the production and sale of the products specified under the New Qingling Zhuanyong Moulds Supply Agreement and is capable of manufacturing products in accordance with the specifications of the Group and meet the "Isuzu" standard; and (iii) it is not compulsory for the Group to purchase from Qingling Zhuanyong Brake while the Group can choose Qingling Zhuanyong Brake as its supplier of moulds and related products and services if and when appropriate, we concur with the view of the Directors that it is reasonable for Qingling Moulds to enter into the New Qingling Zhuanyong Moulds Supply Agreement with Qingling Zhuanyong Brake, and the transactions contemplated thereunder are normal commercial transactions to be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(c) The New Hydrogen-powered Modules Supply Agreement

The Group has been engaging in assembling of hydrogen fuel cell commercial vehicles. According to the "New Energy Vehicles Industry Development Plan" (《新能源汽車產業發展規劃》) issued by the PRC government, the number of hydrogen fuel cell vehicles sold should target to reach 2 million by 2030. Moreover, the Jiulongpo district government of the Chongqing municipality also proposed a plan to build hydrogen energy technology industrial parks in the western part of the PRC and create a hydrogen valley.

To proactively adapt to the new energy revolution and align with the transformation of the automotive industry to seize market opportunities in the PRC, the Company intends to continue to purchase hydrogen-powered modules from the Bosch JV Company for assembling hydrogen fuel cell commercial vehicles. Consequently, the parties have entered into the New Hydrogen-powered Modules Supply Agreement. This decision is based on the management's understanding that the Bosch JV Company possesses internationally advanced technology capable of providing hydrogen-powered modules which meet the Group's technical and quality standards.

Based on the above, we are of the view that it is reasonable for the Company to source the hydrogen-powered modules from Bosch JV Company if the terms of transactions offered to the Group are no less favorable than terms offered to Independent Third Parties in the market, and the transactions contemplated under the New Hydrogen-powered Modules Supply Agreement are normal commercial transactions to be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(d) The New Supply Agreement and the New Bosch Sales Agreement

IEC is principally engaged in the manufacturing and sale of vehicle-used engines and their parts while the Company focuses on the production and sale of vehicles and automobile parts.

The Directors consider that specialization and division of labor between the Group and IEC can increase the operational efficiency of the Group and minimize the costs of the Group through economies of scale.

By entering into the New Supply Agreement, IEC can purchase engine parts and raw materials from the Company for assembling and composing engine assemblies while the Company in turn can secure the supply of engine assemblies and their parts from IEC for assembling and maintenance of automobiles. The Directors believe that supply of engines and their parts by IEC to the Company and the supply of engine parts and raw materials by the Company to IEC would facilitate the operation of the Group and minimise the cost of the Company in acquiring similar products from Independent Third Parties.

The Bosch JV Company is principally engaged in the research and development, production, sale and provision of related services for hydrogen-powered systems. It specializes in manufacturing compatible products such as electric drive gearboxes and has commenced sourcing sub-assemblies that meet its specifications and quality standards.

Amid the growth of the new energy vehicle industry, demand is shifting from traditional fuel vehicle gearboxes to electric drive gearboxes. Leveraging its comprehensive expertise in traditional gearbox technology, the Company is positioned to upgrade and transform its product line, thereby expanding into the electric drive segment.

Since late 2021, the Company has purchased hydrogen-powered modules from the Bosch JV Company, establishing a sound cooperative relationship. The Bosch JV Company possesses strong R&D capabilities and brand influence in hydrogen-powered systems, while the Company has technological advantages in mass production of high-quality automotive parts and an extensive raw material supply network. This cooperation enables complementary strengths, with the Company currently serving as the sole supplier of electric drive gearboxes to the Bosch JV Company. This allows the Company to utilize its existing equipment and technical expertise to produce gearboxes that meet Bosch's quality standards while obtaining reasonable returns.

Furthermore, through this cooperation, the Company gains access to electric drive gearbox production technology and develops talent in R&D, manufacturing and sales, laying a foundation to capture growing domestic market demand for electric drive components and maximize future profitability.

The Directors believe that the above arrangements for the division of labor would facilitate the operation of the Group and minimize the costs of the Group in acquiring similar products from Independent Third Parties. On the above basis, we concur with the view of the Directors that it is reasonable to enter into the New Supply Agreement and the New Bosch Sales Agreement, and the transactions contemplated thereunder are normal commercial transactions to be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

(e) The New Autoparts and Materials Agreement

Scrap metal such as scrap steel and mechanical processing iron scrap has been left over from the production process of the Company. The Group has been selling to companies which have supplied and will continue to supply auto parts to the Company, such as CQCC, scrap metal for the manufacturing of auto parts.

Having considered that scrap metal has been left over from the production process of the Group, in view of the matching of resources, the Company entered into the New Autoparts and Materials Agreement to supply scrap metal to CQCC to enhance quality management and lower the costs of the auto parts which will in turn be supplied by CQCC to the Company.

Similarly, by leveraging the Company's mature technology know-how and to maximise the Company's existing processing capacity, the Company will manufacture and supply to CQNHK and Qingling Zhuanyong semi-finished stamping auto parts, which will be further processed into final auto parts and will in turn be supplied to the Company, thereby maintaining the quality while lowering the costs of the auto parts to be in turn supplied by CQNHK to the Company.

Moreover, as the Company has been sourcing crafting materials for its own consumption during the production process, the Company will also, pursuant to the New Autoparts and Materials Agreement, source appropriate crafting materials for the Qingling Autoparts Companies, taking advantage of bulk-purchasing of such materials. This practice will enable the Company to strengthen the Company's technical support and management of the crafting materials used by the Qingling Autoparts Companies for manufacturing auto parts to be supplied to the Company, and to lower the costs of products to be supplied to the Company.

Based on the above, we are of the view that if the terms of transactions offered to the Group are no less favorable than terms offered to Independent Third Parties in the market, and the transactions contemplated under the New Autoparts and Materials Agreement are normal commercial transactions to be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Outlook of the Commercial Vehicle Industry in the PRC

The Group is principally engaged in the production and sale of commercial vehicles, comprising light, medium and heavy-duty trucks, pick-up trucks and automobile parts and accessories.

According to the statistics published by the China Association of Automobile Manufacturers ("**CAAM**"), the monthly production and sales volume of commercial vehicles in October – December 2025 recorded an increase of 15.3% to 29.6% compared the relevant corresponding period in 2024. During the year ended 31 December 2025, the production and sales volume of commercial vehicles reached 426.1 million units and 429.6 million units, representing a 12.0% and 10.9% increase compared to the year ended 31 December 2024.

The National Development and Reform Commission and the Ministry of Finance of China jointly released "A Notice on Enhancing and Expanding the Implementation of the Large-scale Equipment Renewal and Trade-in of Consumer Goods Policies in 2025" (《關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知(發改環資〔2025〕13號》), to promote national-level incentive to encourage the scrappage and replacement of among others, vehicles and trucks. The incentive policies targets to double the volume of scrapped cars compared with 2023. In particular for diesel trucks, incentives are provided for scrapping older trucks and replacement with cleaner trucks of more recent standards. Vehicle owners can also receive subsidies for early scrapping of older commercial trucks before their mandatory retirement age. Furthermore, a higher incentive is provided to encourage the adoption of clean or new energy-powered equipment for transportation equipment. Considering the supporting policies and incentives for truck owners, it is expected that there will be an upward trend in relation to sales of commercial vehicle in the coming years.

According to data from the National Bureau of Statistics ("**NBS**"), as of December 2025, the PRC's truck production stood at approximately 3.8 million units, with a monthly output of 378,000 units in December, making it the second-highest month of the year. Compared to the production of 290,000 units in December 2024, this represents a year-on-year increase of approximately 30.34%. Additionally, the average monthly production in 2025 was 326,300 units, reflecting a growth of about 21.43% compared to the average monthly production of 268,700 units in 2024.

Regarding sales of new energy heavy-duty trucks in the PRC, pursuant to the article published on China Daily's website in December 2025 (https://www.chinadaily.com.cn/a/202512/07/WS69359b82a310d6866eb2d4ef.html#:~:text=Data%20from%20the%20Tangshan%20ocean,annually%20to%20help%20recharge%20trucks) from January to October 2025, China's cumulative sales of new energy heavy-duty trucks reached 157,000, surging 178.3% year-on-year, while its cumulative sales of new energy light trucks reached 217,000, up 60.3% year-on-year.

In terms of profitability, pursuant to the website IQ Auto (https://iqautodubai.com/why-chinas-auto-industry-is-struggling-with-profitability-in-2025/), in 2025, one of the main contributors to declining profitability is intense price competition. The PRC's auto market has become extremely crowded, particularly in the electric and hybrid vehicle segments. Manufacturers are locked in price wars to defend or grow market share, often sacrificing margins in the process. Discounts, incentives, and dealer subsidies have become common, pushing average profits lower across the industry. At the same time, production costs have continued to rise. Battery materials, energy, logistics, labour, and technology investments all add pressure to manufacturers' cost structures.

Nevertheless, according an article published in January 2026 on the website of China Daily (https://www.chinadailyhk.com/hk/article/627830), attributed to the PRC's crackdown on "involution-style" competition – a concept that has gained traction in recent years to describe cutthroat market dynamics, where companies aggressively slash prices to gain market share, often resulting in a self-defeating cycle of diminishing returns. Since then, the PRC has rolled out a raft of targeted measures to address the issue, including pricing monitoring for new energy vehicles.

With anti-involution policies aim to tackle excessive market competition and restore corporate profitability, it is expected that positive impacts will become increasingly evident throughout 2026.

With regards to the new energy vehicle sector, from January to August 2025, the production and sales volume of NEV reached 962.5 million units and 962 million units, representing an increase of 37.3% and 36.7% from the previous corresponding period. However, the production of hydrogen-cell vehicles was only 5,548 units and the sales volume were 5,405, representing a decrease of over 10% compared to the previous year.

We noted that there was evident development of hydrogen-cell vehicles from 2020 to 2024, supported by the four-year purchase subsidy policy for fuel cell vehicles issued by the National Energy Administration on 16 September 2020 (https://www.gov.cn/zhengce/zhengceku/2020-09/21/content_5545221.htm), which provides subsidies to eligible cities to encourage the development of core technologies and demonstrating applications in the fuel cell sector. However, since governmental support remained unclear upon expiration of the said policy in 2024, the market adopted a wait-and-see approach from 2025. As such, the development of the hydrogen-cell vehicle industry slowed down, leading to a decline in the performance after the beginning of 2025.

Nevertheless, subsequently the PRC government issued supporting policies to encourage the development of the hydrogen-fueled vehicle market both at a national and local level (https://www.ndrc.gov.cn/xwdt/tzgg/202404/t20240416_1365684.html). Notable policies include but not limited to one-time subsidies of up to RMB2 million for fuel cell distributed power generation projects covering up to 10% of equipment investment costs, one-time subsidies of RMB2 million for newly built, renovated, or expanded fixed-standard hydrogen refueling stations covering up to 10% of actual equipment investment costs and other operational subsidies for hydrogen refueling stations. Furthermore, to promote hydrogen transportation, provincial governments has outlined plans to complete the Beijing-Guangzhou, Shanghai-Kunming, and Xuchang-Guangzhou hydrogen energy demonstration corridors by 2035 and pilot hydrogen vehicles participating in demonstration projects will receive subsidies for expressway tolls in certain province. The Ministry of Finance also released the Notice on the Advance Allocation of the 2025 Energy Conservation and Emission Reduction Subsidy Fund Budget (《財政部關於提前下達2025年節能減排補助資金預算的通知》) announcing that there will be allocation of energy conservation and emission reduction subsidy budget of up to 10 billion yuan which will take effect in the coming years. With the implementation of a new round of subsidies, the interconnection of hydrogen expressway networks, and the construction of hydrogen refueling stations across various regions, we believe the prospects of hydrogen-fueled vehicles is optimistic.

2. Principal Terms of the Non-exempt CCT Agreements and the Non-exempt Continuing Connected Transactions

(a) The New Chassis Supply Agreement

Pursuant to the New Chassis Supply Agreement, the Company agreed to supply automobile chassis and related components to Qingling Group and/or Qingling Zhuanyong for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM. The New Chassis Supply Agreement is renewable upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary). Should Qingling Group cease to be a connected person of the Company and the transactions under the New Chassis Supply Agreement cease to be a continuing connected transaction of the Company, the Company is entitled to terminate the New Chassis Supply Agreement upon giving written notice to Qingling Group.

According to the New Chassis Supply Agreement, the price of products to be supplied by the Company thereunder shall be determined by reference to the market prices of the automobile chassis and related components after arm's length negotiation and a credit term of 3 to 6 months after sales shall be provided to Qingling Group and/or Qingling Zhuanyong.

The New Chassis Supply Agreement is a master agreement which sets out the principles upon which detailed terms in relation to the supply of automobile chassis and related components by the Company to Qingling Group and/or Qingling Zhuanyong are to be determined.

Pursuant to the New Chassis Supply Agreement, the Company will enter into separate definitive agreement(s) with Qingling Group from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Chassis Supply Agreement. Such detailed terms include but not limited to prices, payment and settlement terms, quantity, standard of quality, inspection, product liability, liability for compensation and other terms and conditions in relation to the supply of automobile chassis and related components.

The Company and Qingling Group agree that such agreement(s) shall be on normal commercial terms or, if there is no sufficient comparable transactions to assess whether they are on normal commercial terms, on terms that are fair and reasonable to the Company. Qingling Group and/or Qingling Zhuanyong also undertake that the terms offered to the Company shall be no less favourable than those offered to Independent Third Parties by Qingling Group in the market where Qingling Group operates.

We noted that the terms of the New Chassis Supply Agreement are more or less the same as those in the Chassis Supply Agreement and that the consideration of transactions under the Chassis Supply Agreement was set by the Board by reference to the market prices of the automobile chassis and related components, and determined after arm's length negotiations between the parties thereto. As set out in the Letter from the Board, in determining the price of chassis and the relevant parts for transactions contemplated under the Chassis Supply Agreement, the Company would prepare, and update from time to time, a price list for products to be sold to Qingling Group and/or Qingling Zhuanyong by reference to (i) no fewer than three comparable products for the information on the market prices of chassis and related components with similar specifications, technology and quality requirements in the PRC automobile market; (ii) the Company's estimated production costs for the relevant products; and (iii) the prices of chassis supply transactions conducted by the Company with no fewer than three Independent Third Parties. The price list for transactions with Qingling Group and/or Qingling Zhuanyong would then be submitted to the Company's management for approval. The pricing terms of transactions under the Chassis Supply Agreement would follow the prices set out in the pre-approved price list and all invoices for transactions under the Chassis Supply Agreement would be audited by the Company's finance department to ensure that pricing terms were in line with the prices in the pre-approved price list.

We understand from the management of the Company that transactions pursuant to the Chassis Supply Agreement conducted by the Company were only with Qingling Zhuanyong. The Company did not conduct any transactions pursuant to the Chassis Supply Agreement

with other members of Qingling Group. Thus only comparable transactions were available for reference for comparing transactions under the Chassis Supply Agreement conducted by the Company with Qingling Zhuanyong and with independent third parties and the Company did not enter into transactions with Qingling Group under the Chassis Supply Agreement during the three years ended 31 December 2025. According to the Company and as set out in the Letter from the Board, the profit margin level of automobile chassis and related components supplied by the Company to Qingling Group and/or Qingling Zhuanyong under the Chassis Supply Agreement in the range of 6% to 10% for the three years ended 31 December 2025 and was consistent with the profit margin level of the same type of products sold to Independent Third Parties.

We have reviewed sample documents covering each quarter and not less than 1% of the historical transaction amount for the three years ended 31 December 2025, where available, for both Qingling Zhuanyong and Independent Third Parties regarding the transactions under the Chassis Supply Agreement which were selected on a random basis, and thus we considered are representative, and noted that the terms offered by the Company to Qingling Zhuanyong were similar and no less favourable than terms offered to the Independent Third Parties.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has implemented internal control measures, details of which is set out in the section headed "4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" below, to ensure the transactions under the New Chassis Supply Agreement will be conducted in accordance with the terms of the New Chassis Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to the Independent Third Parties) and in accordance with the pricing policy of the Company. Taking account into the above, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

We were advised in the event that if no comparable market price is available, according to the internal control policies of the Company, the prices of chassis and related components will be determined based on the total cost of the part or product, which is estimated with reference to (i) the market price of the raw materials or semi-finished products forming the part or product; and (ii) the cost estimated to be required for manufacturing such part or product based on requirements in relation to the nature, functionality, technology and quality standards, etc., plus a profit margin of not more than the maximum profit margin level as stipulated under the relevant agreement, depending on the complexity of technologies and quality control procedures involved. The proposed price will be further reviewed to ensure that it is in line with the pricing terms of the relevant agreement and, where applicable, the terms provided to the Company are no less favourable than those offered by the relevant

vendor to an Independent Third Party. In order to facilitate the abovementioned reviewing procedures, the planning department of the Company has a professional team which possesses market intelligence, knowledge and experience regarding the relevant technology, quality, pricing and profit margin level of different types of parts or products (including statistics obtained from the Economic Efficiency Indicators for the Automotive Industry from the NBS). Meanwhile, with the assistance of the relevant procurement experience of its procurement department, the Company is able to gather information on market prices and profit margin levels of different parts and products as well as their raw materials in the industry through industrial associations and independent autoparts suppliers in the PRC, which could then be used by the Company for comparison.

We were confirmed by the management of the Company that the same pricing policy and internal control policies would be applied by the Company for the pricing determination of transactions under the New Chassis Supply Agreement. Although the margin level for the Company is not fixed in the New Chassis Supply Agreement for transactions contemplated thereunder, we consider that the average profit margin of the relevant products in the market is an objective benchmark and pricing by reference to the prevailing average market rate is fair and reasonable. The absence of a cap on the profit margin to be charged by the Company is also in the interest of the Company as it shall enable the Company to adjust its profit margin in response to any significant market changes.

Given that (i) the pricing procedures of the products under the Chassis Supply Agreement have been properly implemented by the Company and shall be consistently applied for transactions under the New Chassis Supply Agreement; (ii) the terms of the transactions contemplated under the Chassis Supply Agreement offered by the Company to Qingling Group and/or Qingling Zhuanyong were similar and not less favorable to the Group than terms offered to the Independent Third Parties and such pricing policy shall be consistently applied for transactions under the New Chassis Supply Agreement; (iii) both the Company and Qingling Group have agreed that the terms of the New Chassis Supply Agreement, including selling price of the products to be supplied, shall be on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms fair and reasonable to the Company; (iv) adequate internal control measures are implemented; and (v) Qingling Group has undertaken that the terms offered to the Company shall be no less favorable than terms offered to Independent Third Parties in the market where Qingling Group operates, we consider that the terms of the New Chassis Supply Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

(b) The New Parts Supply Agreements

Purchases of products by the Company

Pursuant to the New Parts Supply Agreements (which comprise (a) the New Qingling Group Agreement; (b) the New CQACL Agreement; (c) the New CQCC Agreement; (d) the New CQFC Agreement; (e) the New CQAC Agreement; (f) the New CQNHK Agreement; and (g) the New CQPC Agreement, the Company will purchase the following products from the respective Connected Persons for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM and shall be extended if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary):

(i) automobile parts including, but not limited to, stamping components, compartments, machining components and other parts and components from Qingling Group, Qingling Zhuanyong, Qingling Zhuanyong Brake, and Qingling Zhuanyong Chassis;

(ii) automobile parts including, but not limited to, cast aluminium parts and other relevant parts and components from CQACL;

(iii) automobile parts including, but not limited to, cast parts of engine cylinder blocks, cylinder heads and main bearing covers and other parts and components from CQCC;

(iv) automobile parts including, but not limited to, raw casts of engine crankshafts and connecting rods and other parts and components from CQFC;

(v) automobile parts including, but not limited to, front and rear motor vehicle axles and other parts and components from CQAC;

(vi) automobile parts including, but not limited to, motor vehicle seats and other parts and components from CQNHK; and

(vii) automobile parts including, but not limited to, plastic parts and other parts and components from CQPC.

Each of the New Parts Supply Agreements are master agreements that set out the principles upon which further detailed terms in relation to the supply of automobile parts and/or provision of services may be determined between the Company and the relevant Qingling Group Companies. Pursuant to each of the New Parts Supply Agreements, the Company may enter into separate definitive agreement(s) with each of the relevant Qingling Group Companies from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the relevant New Parts Supply Agreement. Such detailed terms include, but without limitation, product type, specification, quantity, delivery and/or payment terms and other terms and conditions in relation to the provision of products and/or services. The prices of products to be supplied to the Company under the said agreements will be either: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8%, and in any event, on terms no less favourable to the Company than those offered by the relevant Qingling Group Companies to Independent Third Parties. The considerations payable by the Company under the New Parts Supply Agreements were determined after arm's length negotiations between the parties and by reference to the historical transaction prices of the parts and statistics published on the economic efficiency indicators for automotive industry published by the NBS in the China Automotive Industry Yearbook according to which the average profit margin of automobile industry (the "**PRC Automotive Profit Margin**") in the PRC was 5.04% in 2023 4.34% in 2024.

Having considered that (i) the above 5.04% and 4.34% profit margin for the automobile industry in the PRC for 2023 and 2024 is an average level and the actual profit margin will vary from transaction to transaction depending on the nature, prevailing market prices, technology specifications, quality standards of the parts and the supply-demand relationship in the market; and (ii) the profit margin of certain automobile parts are relatively higher as those automobile parts involve complex technologies and it is relatively difficult to implement quality controls, the Company and Qingling Group Companies agreed to set the maximum 8% profit margin for the supply of automobile parts under the New Parts Supply Agreement while the actual profit margin will be determined based on the nature, functionality, technology and quality standard of different automobile parts.

We were given to understand that the Company is currently the only enterprise in the PRC engaging in the manufacturing of commercial vehicles under the brand name of Isuzu, and the Company and Qingling Group Companies are responsible for assembling certain parts of vehicles based on the product drawings, technology specifications and quality standards given or confirmed by Isuzu under its guidance. Independent Third Parties without authorization and distinctive technical know-how and specific equipment given by Isuzu or the Company will not be able to produce the relevant parts that meet the quality standards of Isuzu. Therefore, most of the parts, such as cylinder blocks, cylinder heads, rod castings

of engines and the specified axles, supplied to the Company by Qingling Group Companies for assembling Isuzu commercial vehicles have no comparable market prices. Accordingly, the prices of a majority of the products to be supplied to the Company under the New Parts Supply Agreement will be determined based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8%, which is the maximum consideration to be payable by the Company under the New Parts Supply Agreements. The actual consideration to be payable by the Company will also be determined by reference to the prevailing market conditions, based on the nature, functionality, technology specifications and quality standards of different parts and in any event on terms no less favourable to the Company than terms offered to the Independent Third Parties.

In order to assess whether the price determination mechanism for the transactions without comparable market prices are fair and reasonable, we have reviewed the monthly statistics of PRC Automotive Profit Margin published by the NBS and noted that the highest monthly profit margin recorded during the twelve months of 2024 was around 5.3%. Although the 8% profit margin to be charged by Qingling Group Companies is higher than the average PRC Automotive Profit Margin of 4.34% in 2024 and the highest monthly profit margin of around 5.3% during 2024, we have also considered that (i) the 8% profit margin represents the ceiling margin, and the actual profit margin will be determined based on the nature, functionality, technology and quality standard of different automobile parts; (ii) the profit margin of certain automobile parts involving complex technologies are relatively higher with a highest historical profit margin charged by Qingling Group Companies during the year ended 31 December 2025 of 7.99%; (iii) the 8% profit margin was mutually agreed between the Company and Qingling Group and applied to both the supply and purchase of certain automobile parts under the Non-exempting Continuing Connected Transactions; (iv) the increasing sales trend of the automobile industry and the expected ease of price wars as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above which may lead to an increase in profitability in the coming years.

We understand from the management of the Company that in order to ensure the transactions under the New Parts Supply Agreements are on terms no less favorable to the Company than terms offered by the Qingling Group Companies to Independent Third Parties, the New Parts Supply Agreements specifically provide that the transactions contemplated thereunder to be on terms no less favorable to the Company than terms offered to Independent Third Parties.

Besides, a professional technical team of the Company with knowledge of market intelligence regarding technology, quality, pricing and profit margin level of different types of automobile parts in the industry will make a business judgment for, and provide professional advice to, the Company when negotiating with the vendors over the price. The Company will also determine the price of certain parts and components by reference to the corresponding historical prices. The Company, when determining the prices of the automobile parts with the Qingling Group Companies, would request the Qingling Group Companies to minimize the effect of the increase in cost on the price of the parts as far as possible through technology and management advancement. As such, the Company expects the price of different parts will remain relatively stable as compared to the past three years. Moreover, the Qingling Group Companies regularly provide the Company with estimated costs of automobile parts supplied under the relevant agreements upon which the parties further negotiate to determine the prices of automobile parts with reference to the relevant industrial condition. The Company's access to the quarterly operation statements and audited annual financial statements of the Qingling Group Companies also enable the Company to know the actual profit margin level achieved by the Qingling Group Companies.

We have reviewed the transaction documents entered into between Qingling Group Companies and the Company covering not less than 1% of the transaction amount during each of the three years ended 31 December 2025 and estimated costs of the major automobile parts supplied under the Parts Supply Agreements by the Qingling Group Companies, and thus we considered the samples are representative. We noted that the profit margins charged by Qingling Group Companies were in the range of -51.6% to 7.99%. We understand from the Management that higher costs were recorded by the Qingling Group Companies as the prices of raw materials fluctuate due to market conditions but low demand and sales volumes resulted in higher allocation of fixed expenses, in turn causing negative profit margins for Qingling Group Companies. Since the highest profit margin is below 8%, and certain products were sold by Qingling Group Companies to the Company below cost (i.e. at negative profit margins), we consider that the pricing procedures have been consistently applied for the transactions under the New Parts Supply Agreement.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has implemented internal control measures, details of which is set out in the section headed "4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" below, to ensure the transactions under the New Parts Supply Agreement will be conducted in accordance with the terms of the New Parts Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to the Independent Third Parties) and in accordance with the pricing policy of the Company. Taking account into the above, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

Having considered that (i) the 8% profit margin is merely the maximum profit margin and is reasonable due to the factors set out above; (ii) the pricing procedures of the products under the Parts Supply Agreement have been properly implemented by the Company and shall be consistently applied for transactions under the New Parts Supply Agreement; (iii) the terms offered to the Company will in any event not be less favorable to the Company than those offered to any other Independent Third Party and adequate measures have been implemented by the Company to ensure the terms offered are not less favourable to the Company than those offered to any other Independent Third Party, we consider that the terms of the New Parts Supply Agreements are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Provision of consolidated services by the Company to CQFC and leasing of machinery by the Company to CQAC

The Group has been purchasing automobile parts from CQFC and CQAC respectively. According to the management of the Group in order to facilitate the production and to enhance cost effectiveness, the Group has been providing consolidated services and leasing of machineries to CQFC and CQAC respectively.

Pursuant to the New CQFC Agreement, the Company will provide consolidated services, inter alia (i) water, electricity and gas supply services; (ii) equipment repair technical services (including the Three Warranties); (iii) medical and hygiene services; (iv) telephone services; and (v) canteen and security services to CQFC at prices based on actual costs incurred plus value-added taxes payable pursuant to the relevant PRC tax laws for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM and shall be extended upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary). Should CQFC cease to be a connected person of the Company and the consolidated services transactions under the New CQFC Agreement cease to be continuing connected transactions for the Company, the Company is entitled to terminate the provision of consolidated services to CQFC by notifying CQFC in writing.

Pursuant to the New CQAC Agreement, the Company will also lease machineries to CQAC for its production and testing of front and rear automobile axles to be provided by CQAC to the Company at a fixed annual rental payment terms which was determined on normal commercial terms and on terms no less favourable than those offered by the Company to two to three Independent Third Parties (if applicable) on leased machineries with similar specifications for the period from 1 January 2025 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM and shall be extended upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary).

We were advised by the management of the Company that the pricing term of provision of consolidated services as well as leasing of machineries were based on actual costs incurred plus taxes payable (if any) as the provision of consolidated services and leasing of machineries are not a core business of the Group and the transaction amounts for provision of consolidated services and machinery leasing are relatively small amounting to less than RMB2.1 million in the past three years while it was projected to not exceed RMB4.3 million in the coming three years.

Based on the above and given that (i) CQFC requires the consolidated services for its daily operations and the costs of such services will affect CQFC's costs of production for parts to be supplied to the Company while CQAC require the machinery for its production; (ii) the selling prices of automobile parts provided by CQFC and CQAC to the Company are determined by reference to the actual costs incurred plus a profit margin (in which should the Group mark-up in charging CQFC and CQAC for the services, such cost plus a margin will be charged back to the Group) will result in additional cost to the Company and thus the provision of consolidated services with no markup and leasing of machinery at prices comparable to independent third parties can reduce the costs incurred by CQFC and CQAC in its production of parts to be supplied to the Company, which in turn lower the Company's cost of purchase of automobile parts, thus we concur with the Directors' view that it is acceptable to provide the consolidated services and leasing of machinery at cost.

Having considered the above mentioned reasons for providing the consolidated services and leasing of machinery as ancillary support for the provision of automobile parts by CQFC and CQAC to the Group, we consider that taking into account the automobile parts to be provided by CQFC and CQAC, the pricing policy to be acceptable as a whole.

(c) The New Qingling Zhuanyong Moulds Supply Agreement

Pursuant to the New Qingling Zhuanyong Moulds Supply Agreement, Qingling Zhuanyong Brake will supply moulds and related products and the maintenance and processing services to Qingling Moulds for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM and shall be extended if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary).

The New Qingling Zhuanyong Moulds Supply Agreement is a master agreement that sets out the principles upon which detailed terms in relation to the provision of products and/or services are to be determined between Qingling Moulds and Qingling Zhuanyong Brake. The parties shall enter into separate definitive agreement(s) from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New

Qingling Zhuanyong Moulds Supply Agreement. Such detailed terms include, but without limitation, product type, specification, quantity, delivery and/or scope of service, service liability and standard of quality and other terms and conditions in relation to the provision of products and/or services. The prices of products/services to be supplied to Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement will be either: (i) at prices not higher than market prices; or (ii) if no comparable market prices, at prices based on actual costs or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8%, and in any event, on terms no less favorable than those offered to Qingling Mounds by Independent Third Parties.

The actual consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement will be determined taking into account the prevailing market conditions with reference to three quotations ranging between approximatelyRMB1,461 to RMB1,620 per unit (exclusive of tax) that Qingling Moulds received by way of tender and in any event, on terms no less favourable to Qingling Moulds than those offered to Qingling Moulds by Independent Third Parties (if applicable). The price of the products will be determined with reference to the market prices by receiving quotations from three suppliers (including Qingling Zhuanyong Brake and Independent Third Parties) and award to the supplier offering the best available terms. If there are no sufficient comparable transactions with respect to the supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds, the consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement will be determined with reference to the actual or reasonable costs (whichever is lower) incurred plus a profit margin of not more than 8%, which is the maximum consideration payable by Qingling Moulds under the New Qingling Zhuanyong Moulds Supply Agreement.

In order to assess whether the price determination mechanism for the transactions without comparable market prices are fair and reasonable, we have reviewed the monthly statistics of PRC Automotive Profit Margin published by the NBS and noted that the highest monthly profit margin recorded during the twelve months of 2024 was around 5.3%. Although the 8% profit margin to be charged by Qingling Zhuanyong Brake is higher than the average PRC Automotive Profit Margin of 4.34% in 2024 and the highest monthly profit margin of around 5.3% during 2024, we have also considered that (i) the 8% profit margin represents the ceiling margin, and the actual profit margin will be determined based on the nature, functionality, technology and quality standard of different automobile parts; (ii) the 8% profit margin was mutually agreed between the Company and Qingling Zhuanyong Brake and applied to both the supply and purchase of certain automobile parts under the Non-exempting Continuing Connected Transactions; and (iii) the increasing sales trend of the automobile industry and the expected ease of price wars as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC", which may lead to an increase in profitability in the coming years.

We were given to understand that only one transaction has been carried out under the New Qingling Zhuanyong Moulds Supply Agreement in the financial year ended 31 December 2023. We have reviewed relevant transaction documents and noted from the price comparison documents that the terms offered by Qingling Zhuanyong Brake was not less favourable than those offered by Independent Third Parties. Furthermore, the profit margin charged by Qingling Zhuanyong Brake was approximately 3.3%.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has implemented internal control measures, details of which is set out in the section headed "4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" below, to ensure the transactions under the New Qingling Zhuanyong Moulds Supply Agreement will be conducted in accordance with the terms of the New Qingling Zhuanyong Moulds Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to the independent Third Parties) and in accordance with the pricing policy of the Company. Taking account into the above, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

Having considered that that (i) the price of the products under the New Qingling Zhuanyong Moulds Supply Agreement shall be determined after receiving quotations from three suppliers, including the independent suppliers; (ii) the 8% maximum profit margin is reasonable due to the factors discussed above; (iii) the terms offered to Qingling Moulds in any event will not be less favourable to the Company than those offered to any other independent Third Party; and (iv) adequate internal control measures are implemented we consider that the terms of the New Qingling Zhuanyong Moulds Supply Agreement are on normal commercial terms and fair and reasonable so far as the independent Shareholders are concerned.

(d) The New Hydrogen-powered Modules Supply Agreement

Pursuant to the New Hydrogen-powered Modules Supply Agreement, Bosch JV Company agreed to supply hydrogen-powered modules (including other auto parts) to the Company for the period from 1 January 2026 to 31 December 2028 subject to and conditional upon approval by the Independent Shareholders at the EGM. The New Hydrogen-powered Modules Supply Agreement is renewable upon expiry if agreed upon by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary).

The New Hydrogen-powered Modules Supply Agreement is a master agreement that sets out the principles upon which further detailed terms in relation to the supply of hydrogen-powered modules and auto parts may be determined between the Company and Bosch JV Company. The Company and Bosch JV Company shall enter into separate definitive agreements for detailed terms of every single transaction in accordance with the underlying principles set out in the New Hydrogen-powered Modules Supply Agreement. The Company and Bosch JV Company agreed that such detailed terms shall be on normal commercial terms or, if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms fair and reasonable to the Company.

The prices shall be determined (i) on an arm's length basis; (ii) on normal commercial terms, with the selling prices arrived at after negotiations between the parties based on industry benchmark prices that reflect the quality of the relevant hydrogen-powered modules in a fair market; and (iii) in compliance with applicable laws, rules and regulations including, among others, the Listing Rules.

We note that as at the Latest Practicable Date, to the best knowledge of the Company, there were still limited source of independent suppliers in the PRC who are capable of providing the hydrogen-powered modules that are required by the Company for assembling its hydrogen fuel cell vehicles and the market for such hydrogen-powered modules is still at an early stage, Therefore, the industry benchmark prices that reflect the quality of the relevant hydrogen-powered modules are currently not available as at the Latest Practicable Date.

We understand from the management, and as set out in the Letter from the Board, the prices of the hydrogen-powered modules per unit of power charged by Bosch JV Company to Independent Third Parties were in the range of approximately RMB2,631 per KW to RMB2,780 per KW, and RMB2,328 per KW to RMB2,894 per KW respectively for the year 2024 and 2025. The prices of the hydrogen-powered modules under the New Hydrogen-powered Modules Supply Agreement were determined based on arm's length negotiations between the parties with reference to the prices of hydrogen-powered modules charged by Bosch JV Company to the Independent Third Parties and, in any event, on prices no less favourable than those charged by Bosch JV Company to two to three Independent Third Parties from time to time in the coming three years ending 31 December 2028. We further understand from the Management that at the time when the market of hydrogen-powered modules of specification and quality that are required by the Company becomes mature and the industry benchmark prices thereof are available, the Company will make reference to such industry benchmark prices by, among others, obtaining quotations from one to two third party suppliers of hydrogen-powered modules of similar specification and quality from time to time for determining the prices of the products to be supplied by Bosch JV Company to the Company under the New Hydrogen-powered Modules Supply Agreement.

We have reviewed transaction documents issued by Bosch JV Company to the Company covering each quarter and not less than 1% of the historical transaction amount during the three years ended 31 December 2025, where available, which were randomly selected and thus we considered are representative, and compared the terms of the transaction documents to the invoices issued by Bosch JV Company to the Independent Third Parties in relation to the comparable item of hydrogen-powered modules and parts. For transactions in relation to provision of hydrogen-powered modules by Bosch JV Company to the Company, during 2023, the module per unit charged to the Company was RMB4,000 per KW compared to RMB4,600 per KW charged to Independent Third Parties, whereas in 2024, the modules per unit charged to the Company was approximately RMB2,631.58 per KW as compared to charging Independent Third Parties ranging from RMB2,631.58 KW to RMB2,780 per KW. The Company further advised that the price per KW decreased in 2024 mainly due to maturation of the supply chain resulting in reduction in costs. We understand that Bosch JV Company only provided auto parts to the Company in 2025 as modules from previous years' inventory were used in production, and the terms offered by Bosch JV Company to the Company were similar and no less favourable than terms offered to the Independent Third Parties.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has implemented internal control measures, details of which is set out in the section headed "4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" below, to ensure the transactions under the New Hydrogen-powered Modules Supply Agreement will be conducted in accordance with the terms of the New Hydrogen-powered Modules Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to the Independent Third Parties) and in accordance with the pricing policy of the Company. Taking account into the above, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

We were confirmed by the management of the Company that the same pricing policy and internal control policies would be applied by the Company for pricing determination of transactions under the New Hydrogen-powered Modules Supply Agreement. Given that (i) the pricing procedures of the products under the Hydrogen-powered Modules Supply Agreement have been properly implemented by the Company and shall be consistently applied for transactions under the New Hydrogen-powered Modules Supply Agreement; and (ii) the terms of the transactions contemplated under the Hydrogen-powered Modules Supply Agreement offered by Bosch JV Company to the Company were similar and not less favorable to the Company than terms offered to the Independent Third Parties, we consider that the terms of the New Hydrogen-powered Modules Supply Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

(f) The New Bosch Sales Agreement

Pursuant to the New Bosch Sales Agreement, the Company agreed to sell gearbox sub-assemblies to Bosch JV Company for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM. The New Bosch Sales Agreement is renewable upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary).

The New Bosch Sales Agreement is a master agreement that sets out the principles upon which detailed terms in relation to the sales of gearbox sub-assemblies are to be determined between the Company and New Bosch Sales Agreement. Under the New Bosch Sales Agreement, the parties shall enter into a separate definitive agreement(s) with detailed terms for each single transaction in accordance with the principles and requirements set out in the New Bosch Sales Agreement. Such detailed terms include, without limitations, price, payment terms, quantity, standard of quality and other terms and conditions.

Pursuant to the New Bosch Sales Agreement, the pricing of the products shall be determined by reference to actual or reasonable costs incurred (including but not limited to raw material and assembly costs) plus a reasonable profit margin, as there are no sufficient comparable transactions; the price of raw materials shall be based on the market price in a sufficiently comparable market or the actual cost of raw materials purchased by the Company. The profit margin shall be determined through arm's length negotiations, taking into account factors including the sound cooperative relationship between the Company and the Bosch JV Company, the Company's position as the current sole supplier of the part, its production and assembly technology and quality standards for commercial vehicle parts, as well as domestic market demand for electric drive gearbox parts, with reference to the average profit margin for new energy vehicles in the domestic market in 2024, which ranged from approximately 5% to 7%. We have identified the top fifteen companies in sales engaged in the PRC new energy vehicles sector published by the CAAM and note that six companies (the "**NEV Companies**") were (i) listed on the Hong Kong Stock Exchange; and (ii) generated profit for the year ended 31 December 2024. We noted that the NEV Companies recorded profit margin of 5.11% to 6.99%.

As there is no available public information on comparable transactions to ascertain whether the sales term of the products (including the pricing terms) under the Bosch Sales Agreement are reasonable and on normal commercial terms, the Company implemented the following measures to govern the transactions:

(a) Upon receipt of a purchase order from Bosch JV Company, the Company's finance department and other relevant operation departments will obtain not less than three quotations from various third party suppliers for raw materials that form the Parts and have similar specification and quality standard, whereby the relevant departments will compare the quotations against each other and any historical purchase costs of such raw materials if they were previously purchased by the Company.

(b) The Company will select a supplier who offers the lowest quoted price of such raw material and propose to Bosch JV Company the estimated purchase costs based on such quoted price.

(c) The Company's relevant operation departments will estimate the manpower to be involved in the purchaser order and charge Bosch JV Company based on the estimated number of hours spent at a fixed hourly wage rate.

(d) The Company's finance department will gather all historical or estimated cost information relating to the Parts (including but not limited to the raw material costs and the labor costs) and compile a table, which is to be proposed to Bosch JV Company for its evaluation and confirmation. If Bosch JV Company considers that the estimated cost of any of the substantial raw materials (such as gear shaft) is higher than the market price, the Company will negotiate with the suppliers to obtain a discounted price and revert to Bosch JV Company for further confirmation.

(e) The Company will provide Bosch JV Company with a proposed price for each type of gearbox subassembly based on the estimated costs confirmed by Bosch JV Company as mentioned in (d) above plus a profit margin of around 5%, such profit margin may be subject to adjustment depending on, inter alia, the difficulty of sourcing the relevant raw materials forming the Parts and the length of the production lead time and other factors as Bosch JV Company and the Company may negotiate from time to time.

(f) The Company's finance department will also from time to time look for any up-to-date public information in relation to the profit margin levels of NEV companies in the industry for comparison in preparation for negation with Bosch.

(g) The Company will arrange meetings to discuss and negotiate the price of each type of gearbox sub-assembly with Bosch JV Company with reference to the cost information and other information as set out in (e) and (f) above.

(h) Despite it is the first time for the Company to provide purely sourcing and assembly services to a customer and there are currently no comparable transactions entered into by the Company with an Independent Third Party, the Company's planning department will review and compare the proposed price with the relevant terms offered by the Company to an Independent Third Party in any applicable future comparable transactions from time to time during the term of the New Bosch Sales Agreement, to ensure that the proposed price is no less favourable than that offered by the Company to an Independent Third Party.

We were confirmed by the management of the Company that the same pricing policy and internal control policies would be applied by the Company for price determination of transactions under the New Bosch Sales Agreement.

We have reviewed the transaction documents entered into between Bosch JV Company and the Company covering not less than 5 products and not less than 1% of the historical transaction amount during the three years ended 31 December 2025 where available, and noted from the samples that the profit margins of major products charged by the Qingling Group Companies were in the range of approximately 2% and 5%. As such, we consider that the pricing procedures have been consistently applied for the transactions under the Bosch Sales Agreement.

Given that (i) the pricing policy applied for transactions under the Bosch Sales Agreement shall continue to be applied consistently to transactions under the New Bosch Sales Agreement; (ii) a reasonable profit margin which will be determined after considering, among others, domestic market demand for electric drive gearbox parts and the average profit margin for new energy vehicles in the domestic market in 2024 of 5% to 7%; and (iii) although there are no available public information on comparable transactions, adequate measures have been implemented to ensure the sales term of the products (including the pricing terms) under the New Bosch Sales Agreement are reasonable and on normal commercial terms, we consider that the terms of the New Bosch Sales Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

(g) The New Supply Agreement

Pursuant to the New Supply Agreement, the Company agreed to provide engines parts and raw materials required for the manufacturing of engines to IEC, and IEC agreed to provide the engine assemblies and their parts to the Company for assembling and maintenance of automobiles for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM. The New Supply Agreement is renewable upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary). Should IEC cease to be a connected person of the Company and the transactions under the New Supply Agreement cease to be continuing connected transactions under the Listing Rules, the Company is entitled to terminate the New Supply Agreement by notifying IEC in writing.

The New Supply Agreement is a master agreement that sets out the principles upon which detailed terms are to be determined between the Company and IEC. The Company and IEC shall enter into separate definitive agreements for detailed terms of every single transaction in accordance with the underlying principles set out in the New Supply Agreement, including the order-making procedure rule, orders, price, payment and settlement terms, quantity, standard of quality, inspection of products, product liability, liability for compensation and other terms and conditions in relation to the sale and purchase of specific types of products.

The pricing determination basis under the New Supply Agreement is the same as those stipulated in the Supply Agreement. We understand from the management of the Company that as there are insufficient comparable transactions, the prices of products under the Supply Agreement have been, and the prices of products under the New Supply Agreement shall continue to be, determined based on the actual costs incurred plus a premium of not exceeding 10% which was determined by reference among others, the average profit margin of 4.34% for China's automotive industry in 2024 as stated in the Economic Efficiency Indicators for Automotive Industry from NBS.

We were given to understand from the management of the Company, that save for qingling motor outlets which are owned by Independent Third Parties solely for the purpose of automobile maintenance and parts replacement, the Company has not supplied the engine parts and raw materials specified under the Supply Agreement to any Independent Third Party for onward production and reselling the engine assembled and relevant parts of maintenance to the Company as such products are tailor-made for IEC and not for sale to other third parties, Meanwhile, no Independent Third Parties had supplied the engines and their parts under the Supply Agreement to the Company as such products were of specific specifications which were not available from other suppliers. As such, we are also unable to compare the terms of transactions of such sales and resale arrangement between the Company and IEC with those of the independent parties.

We understand from the management of the Company that in order to ensure the terms offered to the Company for the transactions contemplated under the New Supply Agreement are no less favorable than terms offered by IEC to Independent Third Parties, the New Supply Agreement specifically provided that the actual selling price of the products to be supplied or purchased shall be the actual costs of the supplying party plus a profit margin of not exceeding 10% and that such profit margin shall be finalized by both parties on the basis that is fair and reasonable to both parties. The Company has regular and formal business negotiations at least annually with IEC, and requests IEC to provide a cost list for each of the parts it supplies so that the Company can assess and determine the price of such engine parts and raw materials.

In order to safeguard the interests of the Company and the Shareholders as a whole, the Company has implemented internal control measures, details of which is set out in the section headed "4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions" below, to ensure the transactions under the New Supply Agreement will be conducted in accordance with the terms of the New Supply Agreement, on normal commercial terms (or, where applicable, on terms no less favourable than terms available to the Independent Third Parties) and in accordance with the pricing policy of the Company. Taking account into the above, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

We have reviewed (i) the transaction documents entered into between IEC and the Company covering not less than 1% of the transaction amount during each of the three years ended 31 December 2025 in relation to provision of parts of engines and raw materials required for the manufacturing of engines by the Company to IEC, and noted from the samples that the profit margin for major products charged by the Company to IEC was in the range of 0.07% to 7.10%; and (ii) transaction documents entered into between IEC and the Company covering not less than 1% of the transaction amount during each of the three years ended 31 December 2025 in relation to provision of engine assemblies and their parts by IEC to the Company for assembling and maintenance of automobiles, which we considered are representative, and the profit margin for major products charged by IEC to the Company was in the range of -4.16% to 6.47%. We note that the average profit margin of the major products charged by both the Company to IEC and by IEC to the Company is comparable. Having considered that the profit margins of the products were under that maximum profit margin of 10% and certain products were sold by IEC below cost to the Company (i.e. at negative profit margins), we are of the view that the terms offered to the Company is fair and reasonable.

We were advised by the management of the Company that the engine parts and raw materials supplied by the Company to IEC under the Supply Agreement were used by IEC for assembling and composing engine assemblies, and such engine assemblies were subsequently sold back to the Company exclusively by IEC. As the engine assemblies will be sold back to the Company at actual costs incurred, which include costs of engine parts and raw materials purchased from the Company, plus a profit margin, the engine parts and raw materials were sold by the Company to IEC at a low margin so as to lower the prices of the engine assemblies to be sold by IEC to the Company. Given that the profit margin charged to IEC for the sale of engine parts and raw materials by the Company to IEC will be set off by the additional cost charged to the Company for the sale of engine assemblies by IEC, we considered that it is commercially justifiable to sell the engine parts and raw materials under the Supply Agreement to IEC, which were solely used for assembling and composing engine assemblies for exclusive sale to the Company, with a low or no markup and such transactions were conducted in accordance with the terms of the Supply Agreement where the price was determined with reference to the actual costs incurred plus a profit margin of not more than 10% for the transactions contemplated under the Supply Agreement. The Company confirmed that if the engine parts and raw materials supplied by the Company to IEC are not used for assembling and composing engine assemblies which are subsequently sold back to the Company exclusively, the Company will charge a profit margin based on normal commercial terms.

We noted that the maximum profit margin of 10% stipulated under the New Supply Agreement is higher than the profit margin of the automobile industry of 4.3% in 2024 and the maximum profit margin that can be charged under the New Parts Supply Agreement of 8%. However, given that (i) the actual average profit margins of major products charged by the Company and IEC under the Supply Agreement were lower than the maximum profit margin of 10%; (ii) the profit margin ceiling of the New Supply Agreement represents only the maximum rate that can be charged and the actual rate to be charged will be finalised by both parties on the basis that it is fair and reasonable; (iii) production of engine assemblies, being the core parts of the Isuzu vehicles rather than merely a single parts, requires a higher technical level as compared to manufacturing of other general parts and therefore a higher profit margin for engine assemblies is commercially justifiable; (iv) the quality of the engine assemblies and parts provided by IEC are higher than the market level and such products are fully complied with the technology and standard as required for Isuzu vehicle; (v) the increasing sales trend of the automobile industry and the expected recovery from price wars as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above which may lead to an increase in profit margin in the coming years; (vi) the pricing policy applied to transactions under the Supply Agreement will continue to be consistently applied to transactions under the New Supply Agreement; and (vii) both the Company and IEC are mutually bounded by the same terms on price determination for sale and purchase transactions under the New Supply Agreement, we consider that it is fair and reasonable

to set the ceiling of the profit margin at 10% although it is higher than the current average market rate and the maximum profit margin of 8% under the New Parts Supply Agreement and the terms of the New Supply Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

(h) The New Autoparts and Material Agreement

Pursuant to the New Autoparts and Material Agreement, the Company will supply the following products to the Qingling Autoparts Companies (CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake, and Qingling Zhuanyong) for the period from 1 January 2026 to 31 December 2028, subject to and conditional upon approval by the Independent Shareholders at the EGM and shall be extended upon expiry if agreed by all parties and having obtained the consent of the Stock Exchange and/or the approval of the Independent Shareholders in accordance with the requirements of the Listing Rules (if necessary):

(viii) Supply to CQCC scrap metal, such as scrap steel and mechanical processing iron scrap left over from the Company's manufacturing process, for further smelting, casting and manufacturing of auto parts by CQCC;

(ix) Supply to CQNHK and Qingling Zhuanyong semi-finished auto parts, including but not limited to axle housing, ring stiffner and car hood, for further production and manufacturing of auto parts by CQNHK and Qingling Zhuanyong;

(x) Supply to all Qingling Autoparts Companies crafting materials including but not limited to gasoline, diesel, cutting fluid, tools and equipment, and machinery spare parts, which will be sourced by the Company from suppliers which are Independent Third Parties;

The New Autoparts and Materials Agreement is a master agreement which sets out the principles upon which detailed terms in relation to the supply of products are to be determined between the Company on one hand, and the Qingling Autoparts Companies on the other. Pursuant to the New Autoparts and Materials Agreement, the Company will enter into separate definitive agreement(s) with the Qingling Autoparts Companies from time to time to provide for detailed terms of each single transaction in accordance with the principles set out in the New Autoparts and Materials Agreement. Such detailed terms include, but without limitation, price, payment and settlement terms, quantity, standard of quality, delivery and inspection of products (where applicable) and other terms and conditions in relation to the supply of products.

The prices of products to be supplied to the Company under the said agreements will be: (i) in respect of the supply of scrap metal by the Company to CQCC, the prices shall not be lower than the market price of scrap metal of the same type and the prices of such scrap metal sold by the Company to Independent Third Parties (if any) and the exact price will be determined based on the public trading prices of scrap metal of the same or similar type, specifications and quality in the scrap metal trading market where the Company locates, taking into consideration trading conditions such as transportation, loading and unloading and method of payment and will be negotiated and confirmed by the Company and CQCC; (ii) in respect of the supply of the semi-finished auto parts by the Company to CQNHK and Qingling Zhuanyong, the prices will be determined based on costs incurred by the Company plus a profit margin of not exceeding 8%; and (iii) in respect of the supply of crafting materials by the Company to all Qingling Autoparts Companies, the prices will be determined based on the cost of sourcing such crafting materials by the Company from suppliers which are Independent Third Parties plus a profit margin of not exceeding 8% and in any event, on terms no less favourable to the Company than those offered by the Company to Independent Third Parties or those offered by Independent Third Parties to the Company.

The consideration recoverable by the Company under the New Autoparts and Materials Agreement is set based on the pricing policies set out above with reference to either the market prices or the costs of the scrap metal, semi-finished auto parts and crafting materials to be supplied, and is determined with reference to, among other things, the average profit margin of 4.34% for China's automotive industry in 2024 as stated in the Economic Efficiency Indicators for the Automotive Industry from the NBS.

We understand that in respect of the supply of scrap metal, such as scrap steel and mechanical processing iron scrap, which have been leftover from the production process of the Company, in view of a matching of resources, the supply of scrap material by the Company to CQCC can both enhance quality management and lower the costs of the auto parts which will in turn be supplied by CQCC to the Company. Furthermore, exact price of the scrap material will be determined based on the public trading prices of scrap metal of the same or similar type and will be not be lower than the market price of scrap metal of the same type and the prices of such scrap metal sold by the Company to Independent Third Parties (if any).

With regards to the supply of semi-finished auto parts and crafting materials, although the 8% profit margin is higher than the average 4.3% profit margin for the PRC automobile industry, having considered that (i) the above 4.34% profit margin for the automobile industry in the PRC for 2024 is an average level and the actual profit margin will vary from transaction to transaction depending on the nature, prevailing market prices, technology specifications, quality standards of the parts and the supply-demand relationship in the market; (ii) the 8% profit margin is the ceiling margin that can be charged by the Company; (iii) the 8% profit margin was mutually agreed between the Company and Qingling Group and applied to both

the supply and purchase of certain automobile parts under the Non-exempting Continuing Connected Transactions; and (iv) the increasing sales trend of the automobile industry and the expected ease of price wars as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above, which may lead to an increase in profit margin in the coming years; the Company and Qingling Autoparts Companies agreed to set the maximum 8% profit margin for the supply of automobile parts under the the New Autoparts and Material Agreement while the actual profit margin will be determined based on the nature, functionality, technology and quality standard of different automobile parts.

We understand from the management of the Company that in order to ensure the transactions under the New Autoparts and Material Agreement are on terms no less favourable to the Company than those offered by the Company to Independent Third Parties or those offered by Independent Third Parties to the Company Independent Third Parties, the New Autoparts and Material Agreement specifically provide that the transactions contemplated thereunder on terms no less favourable to the Company than those offered by the Company to Independent Third Parties or those offered by Independent Third Parties to the Company.

In respect of the supply of scrap material, we understand from the Company that the pricing for scrap material is the same for the financial year and is priced according to the sales contract entered into between the Company and CQCC. We have reviewed the sales contract entered into during the three years ended 31 December 2025, and noted that the prices of the scrap materials stated in the contracts were determined based on the public trading prices of scrap metal of the same or similar type and not be lower than the market price or public trading prices of scrap metal of the comparable type.

In respect of the supply of semi-finished auto parts and crafting materials and we have reviewed transaction documents entered into between the Company with CQNHK and Qingling Zhuanyong and the Company with Qingling Autoparts Companies, whom are connected person of the Company covering not less than 5 products and not less than 1% of the historical transaction amount during each of the three years ended 31 December 2025, selected on a random basis which we considered are representative, and noted from the samples that the profit margins were in the range of 0% to 1.29%, which was below the agreed maximum profit margin.

Having considered that (i) regarding the supply of scrap materials, the prices offered to CQCC was determined based on the public trading prices of similar type of scrap metal and not lower than market prices of similar type of scrap materials sold by the Company to Independent Third Parties; (ii) regarding supply of semi-finished auto parts and crafting materials, the actual average profit margins of major products charged to Qingling Autoparts Companies under the New Autoparts and Material Agreement were below the agreed maximum profit margin of 8%; (iii) the increasing sales trend of the automobile industry and

the expected ease of price wars as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC", which may lead to an increase in profit margin in the coming years; and (iv) adequate measures have been implemented by the Company to ensure the terms offered to Qingling Autoparts Companies under the New Parts Supply Agreements are on terms no less favourable to the Company than those offered by the Company to Independent Third Parties or those offered by Independent Third Parties to the Company Independent Third Parties, we consider that the terms of the New Autoparts and Material Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Internal controls on historical non-exempted continuing connected transactions

For the year ended 31 December 2025, the Company's auditor was engaged to conduct audit work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Pursuant to Rule 14A.56 of the Listing Rules, the auditor has issued a letter to the Board that nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group (except those de minimis transactions which are fully exempted pursuant to Rule 14A.76(1) of the Listing Rules):

1. have not been approved by the Board;

2. were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;

3. were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and

4. have exceeded the relevant annual caps set by the Company.

Furthermore, in the latest published annual report of the Group, the independent non-executive directors of the Company confirm that the transactions have been entered into by the Group in the ordinary and usual course of its business, on normal commercial terms or better and in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

3. Annual caps for the Non-exempt Continuing Connected Transactions

Historical transaction amounts and annual caps for the Non-exempt Continuing Connected Transactions

The historical transaction amounts of the Non-exempt Continuing Connected Transactions are set out as follows:

	Historical Transaction Amount (*RMB' million*)			
	For the year ended 31 December 2023	**For the year ended 31 December 2024**	**For the year ended 31 December 2025**	**CAGR**
Chassis Supply Agreement	105.83	204.27	83.83	-11.0%
Parts Supply Agreement				
– Qingling Group Agreement	149.74	112.26	114.94	-12.4%
– CQACL Agreement	8.86	14.77	44.67	124.5%
– CQCC Agreement	9.95	9.09	13.68	17.3%
– CQFC Agreement	19.33	20.15	20.97	4.1%
– CQAC Agreement	261.36	318.52	301.27	7.4%
– CQNHK Agreement	39.24	47.19	40.49	1.6%
– CQPC Agreement	45.52	64.90	55.60	10.5%
QM Moulds Supply Agreement	0.22	0	0	-100.0%
Hydrogen-powered Modules Supply Agreement	112.92	123.20	53.65	-31.1%
Bosch Sales Agreement	NA	61.94	112.29	81.3% (Note)
Supply Agreement				
– supply of engine parts and raw materials by the Company to IEC	256.57	174.86	197.06	-12.4%
– supply of engines and their parts by IEC to the Company	603.79	638.24	548.27	-4.7%
Autoparts and Materials Agreement	29.94	50.93	52.53	32.5%

Note: Calculated based on the transaction amounts for the years ended 31 December 2024 and 31 December 2025

The proposed annual caps for the three years ending 31 December 2028 in respect of the Non-exempt Continuing Connected Transactions (the "**Annual Caps**") are set out as follow:

	Annual Cap *(RMB' million)*			
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**	**CAGR**
New Chassis Supply Agreement	275.49	393.56	432.92	25.4%
New Parts Supply Agreement				
– New Qingling Group Agreement	282.56	404.00	448.65	26.0%
– New CQACL Agreement	110.78	132.87	161.81	20.9%
– New CQCC Agreement	14.67	18.53	21.88	22.1%
– New CQFC Agreement				
(a) Supply of automobile parts by CQFC to the Company	46.51	64.23	73.07	25.3%
(b) Provision of consolidated services by the Company to CQFC	2.90	3.33	3.83	14.9%
– New CQAC Agreement				
(a) Supply of automobile parts by CQAC to the Company	802.69	1,176.35	1,334.62	28.9%
(b) Leasing of machineries from the Company to CQAC	0.39	0.39	0.39	0.0%
– New CQNHK Agreement	99.79	149.25	166.47	29.2%
– New CQPC Agreement	160.49	227.64	250.53	24.9%

	Annual Cap *(RMB' million)*			
	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**	**CAGR**
New Qingling Zhuanyong Moulds Supply Agreement	3.00	5.00	8.00	63.3%
New Hydrogen-powered Modules Supply Agreement	988.71	1,759.72	2,594.62	62.0%
New Bosch Sales Agreement	326.47	668.19	1,120.73	85.3%
New Supply Agreement				
(a) Supply of engine parts and raw materials by the Company to IEC	445.20	530.60	637.00	19.6%
(b) Supply of engines and their parts by IEC to the Company	1,103.58	1,343.55	1,613.00	20.9%
New Autoparts and Materials Agreement	204.32	324.73	357.87	32.3%

As shown in the above table, the proposed Annual Caps of the Non-exempt Continuing Connected Transactions (save for the value of machinery to be leased by the Company to CQAC under the New CQAC Agreement) are expected to increase with a compound annual growth rate ("**CAGR**") ranging from approximately 14.9% to 85.3% for the period from 2026 to 2028.

As set out in the Letter from the Board, to assess whether the Annual Caps are fair and reasonable, the Board has considered:

(1) the manufacturing and/or sales plan of the respective counterparties to the Non-exempt CCT Agreements for the three years ending 31 December 2028; and

(2) the anticipated transaction amounts and prices of the products and/or services involved under the Non-exempt CCT Agreements for the three years ending 31 December 2028.

The Board has provided for an adjustment of the proposed annual caps for certain Non-exempt Continuing Connected Transactions for the three years ending 31 December 2028 taking into account the following factors:

(1) the economy in the PRC is recovering gradually and the business and operation of the Group and the counterparties to the Non-exempt CCT Agreements are expected to achieve steady growth in the coming three years ending 31 December 2028;

(2) demand for new energy vehicles (such as hydrogen-powered vehicles) is expected to gradually rise and such new energy vehicles are likely to become the mainstream of commercial vehicles for the three years ending 31 December 2028 under the influence of (a) enhanced requirements for environmental protection and energy saving and (b) new policies put forward by the PRC government from time to time;

(3) during the national sixth phase (國六時期), the attributes of high quality and low fuel consumption of the Company's products has enabled them to stand out in the market. Particularly, as middle body series of the Company's automobiles have been developed in addition to the traditional narrow and wide body series of the same, the variety of choices have brought along a relatively large increase in the demand for the Company's light trucks and such increasing trend is expected to continue for the three years ending 31 December 2028;

(4) the PRC has become the world's second largest automobile exporter, it is expected that exports of automobile will increase significantly in the future. In this relation, the Company has been working with its authorised export agents and the operation system of Isuzu to promote the overseas target market access certification, business flow, logistics and network system construction, which is expected to lead to an increase in the export volume for the three years ending 31 December 2028;

(5) the upgrade of the interior parts of the Company's automobile has led to an increase in value of individual automobile interior part; and

(6) to cater for the market demand on tailor-made products, the Company has continuously expanded its product technology platforms, enriched and widened its product spectrum and varieties.

We have discussed with the management of the Company and reviewed the historical average costs/selling prices and quantity of products purchased/sold by the Group, where available, in relation to the Non-exempt Continuing Connected Transactions, the production plans of the Group and Qingling Group for the three years ending 31 December 2028 and the schedules of expected average costs/selling prices and the number of units to be purchased/sold by the Group, where available,

in relation to the Non-exempt Continuing Connected Transactions for the three years ending 31 December 2025, which were prepared and provided by the Company after discussions with the respective Connected Persons, and having considered the factors set out in the paragraphs below.

Projected sales volume of the Group's vehicles

For the year ended 31 December 2023 and 2024, the Group recorded a turnover of approximately RMB3,597 million and RMB4,124 million, respectively, representing an increase of approximately 10.73% and 14.66% as compared to the previous year. The Group also sold 31,089 units and 33,178 units for the year ended 31 December 2023 and 2024, respectively, representing a 7.75% and 6.72% increase compared to the previous year. However, for the six months ended 30 June 2025, the Group recorded a turnover of approximately RMB2,072 million, representing a decrease of approximately 1.82% as compared to the last corresponding period. The number of vehicles sold by the Group also decreased by approximately 1.88% to 16,842 units for the six months ended 30 June 2025. On the other hand, the Company sold 33,226 units and recorded a turnover of RMB4,367 million during the year ended 31 December 2025.

The increase in sales volume and turnover for the year ended 31 December 2023 was a result of economic recovery post COVID-19 pandemic outweighing insufficient consumer confidence and weak purchasing power while the increase in the year ended 31 December 2024 were mainly attributable to the recovery in the domestic automotive market with annual production and sales remaining above 30 million vehicles and driven by rapid growth in new energy vehicles and exports. The decrease in sales volume and turnover for the six months ended 30 June 2025 was due to weak demand and consumer confidence, evident trend of consumption downgrading, increased competition in the industry leading to a decline in the industry's average profit margin coupled with geopolitical conflicts. However, the sales volume for the year ended 31 December 2025 recovered to a similar level to that for the year ended 31 December 2024 and revenue recorded a 5.89% increase.

Despite the increase in sales volume and turnover in the years ended 31 December 2023 and 2024, we note that the actual sales volume during the three years ended 31 December 2025 was less than the projected sales plan of 70,000 units, 80,000 units and 100,000 units for the three years ended 31 December 2025. We have discussed with the Company and understand that the sales plan was prepared around the end of 2022 which was during the Covid pandemic and noted that the Company anticipated at the time that there will be economic recovery post pandemic coupled with implementation of supporting policies and upward trend in industry cycle. However, in face of lack of domestic demand of commercial vehicles, intense market competition leading to price wars, the actual sales volume was 31,089 units, 33,178 units and 33,226 units during the three years ended 31 December 2025, which only achieved 33.2% to 44.4% (i.e. less than half) of the original projected sales quantity.

Nevertheless, the Company considered that the domestic environment is steadily recovering and there is an acceleration in the transition to new energy, coupled with the market expansion from domestic to overseas markets, the automobile market shall enter a period of stable recover and growth.

The Company recorded an increase in sales volume, turnover and profit margin in 2024 and 2025 and aims that demand of automobiles, in particular for technologically advanced and high-quality commercial vehicles like those manufactured and sold by the Group, as well as the Group's sales volume will continue their rising trend for the three years ending 31 December 2028. We have reviewed the sales plan of the Company and noted that the expected number of vehicles to be sold by the Group would increase to 70,000 units for the year ending 31 December 2026 as compared to 33,226 units sold in 2025. According to the management of the Group, as a result of the new policies launched in 2025 in providing financial incentives for scrapping and replacing transportation equipment (including commercial diesel trucks) which is expected to substantially boost the sales of the Group, it considered that the Group's vehicle sales would increase substantially.

Attributable to the above mentioned financial incentives provided by the PRC government and the steady recovering of the market together with the acceleration in the transition to new energy, the management of the Group considered that sales would continue to improve from 2026 onwards and therefore estimated a CAGR of approximately 25.4% in the expected sales of vehicle units from 70,000 units for the year ending 31 December 2026 to 110,000 units for the year ending 31 December 2028.

We noted that the projected sales volume of the Group's vehicles is larger than the existing level and were given to understand that the Group would continue to enhance its technology development by launching new varieties of vehicles such as light-duty vehicles, heavy-duty trucks and new energy vehicles. The Company anticipates that approximately 200 new models or different specifications of vehicles may be launched and made available for sale in the three years ending 31 December 2028. The Group will further improve the quality of services provided by the sales branches and carry out various marketing activities to enhance the sales volume of vehicles. The Group shall also continue to adopt the policy of localization of parts and accessories and implementation of technology improvement to further reduce costs and enhance the pricing competitiveness of the Group's products. With the above-mentioned development plan of the Group, it is expected that the sales volume of vehicles can further increase at a CAGR of approximately 25.4% from 2026 to 2028.

(a) The New Chassis Supply Agreement

The Annual Caps of the New Chassis Supply Agreement were set by the Board with reference to the actual transaction amounts received by the Company under the Chassis Supply Agreement and the anticipated market demand in relation to the automobile chassis and related components for the term of the New Chassis Supply Agreement.

We noted that the historical transaction amount of the Chassis Supply Agreement decreased at a compound annual decline rate of approximately 11.0% during the three years ended 31 December 2025. We were advised by the management of the Company that such a reduction was mainly due to the decrease in prices and demand for automobile chassis and related components from Qingling Group in the face of challenges such as weak overall demand in the commercial truck industry, a year-on-year market decline, and intense market competition.

When estimating the annual caps for the three years ended 31 December 2025, the then management of the Group factored in the anticipated economic recovery and upward industry cycle for such post-Covid era, but due to the abovesaid reasons of the weak demand, the transaction value was less than expected which resulted in a relatively low utilisation rate of the annual cap for the three years ended 31 December 2025 ranging from 17.7% to 53.1%.

We have reviewed the calculation of the Annual Caps for the three years ending 31 December 2028 and noted that although the Annual Cap for the year ending 31 December 2026 is higher than the historical transaction amount for the year ended 31 December 2025, the renewed Annual Caps for the coming three years ending 31 December 2028 have been reduced compared to the annual caps under the Chassis Supply Agreement for the three years ended 31 December 2025 in view of the aforesaid low utilisation rate.

We were given to understand that in determining the Annual Cap for the year ending 31 December 2026, the Company has discussed with Qingling Group and considered, among others, the outlook of the commercial vehicle industry in the PRC, details of which are set out in the section headed "Outlook of the Commercial Vehicle Industry in the PRC" above and anticipate that the commercial vehicle industry would record an upward trend in view of overall stable and progressive economic performance of the PRC and gradual recovery of the domestic automotive market driven by rapid growth in new energy vehicles and exports, coupled with the expected ease of price wars and expected expansion of sales network by Qingling which will bring on recovery in both sales and profit margin for the next three years ended 31 December 2028. As such, both the demand and prices of automobile chassis and related components from Qingling Group is expected to recover in 2026 and continue to increase.

We have also reviewed the schedule of expected average selling prices and the number of units to be sold by the Group in relation to the transactions under the New Chassis Supply Agreement for the three years ending 31 December 2025 and noted that in order to meet its increasing production volume, Qingling Group has planned to increase the quantity of chassis to be purchased from the Group at a CAGR of approximately 25.4% from 2,682 units for the year ending 31 December 2026 to 4,214 units for the year ending 31 December 2028. Having taken into account the expected increase in demand for chassis and a buffer for the fluctuations in price and product mix of chassis and related components to be ordered from the Group, Qingling Group's purchases of chassis from the Group is expected to increase with a CAGR of approximately 25.4% for the three years ending 31 December 2028.

As mentioned in the section headed above "Outlook of the Commercial Vehicle Industry in the PRC", we noted that the monthly production and sales volume of commercial vehicles in October to December 2025 recorded an increase of 15.3% to 29.6% compared the relevant corresponding period in 2024, which indicated that the commercial vehicle industry have been picking up its momentum in 2025.

Based on the above including noting the growth rate of commercial vehicles in October 2025 to December 2025, we consider that the Annual Caps for the New Chassis Supply Agreement for the three years ending 31 December 2028 which took into account a CAGR of approximately 25.4% to be acceptable.

(b) The New Parts Supply Agreements

The Annual Caps of the New Parts Supply Agreements were determined by reference to, among others, (i) the historical sales volume; (ii) the projected sales volume for the three years ending 31 December 2028; and (iii) the expected increase in the number of new vehicles of new models or different specifications to be launched and made available for sale by the Company.

We have reviewed the schedules of expected average costs and the number of units to be purchased by the Group in relation to the transactions under the New Parts Supply Agreement, for the three years ending 31 December 2028, details of which is set out below, which took into account, among others, the factors set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" indicating the gradual recovery of the domestic automotive market in view of overall stable and progressive economic performance of the PRC and driven by rapid growth in new energy vehicles and exports, and expected ease of price wars which will bring on recovery in both sales and profit margin for the next three years ended 31 December 2028.

Having considered the above, the Company expected that the number of vehicles to be sold by the Group would continue to increase in 2026 as compared to 2025, details of which are set out in the section headed "Projected sales volume of the Group's vehicles" above. We also noted that the Annual Caps for the New Parts Supply Agreement in relation to the trading of automobile parts and components (i.e. other than the provision of consolidated services by the Company to CQFC and the leasing of machineries from the Company to CQAC) were projected to increase at a CAGR in the range of approximately 20.9% and 29.2% for the three years ending 31 December 2028 and such increases were mainly attributable to the expected increases in trading volume of the products under the New Parts Supply Agreement.

The projected transaction amounts of the transactions under the New Parts Supply Agreement, for the three years ending 31 December 2028 are set out below:

	For the year ending 31 December			
	2026	**2027**	**2028**	**CAGR**
New Qingling Group Agreement				
Quantity of other parts and components	619,064	884,378	972,815	25.4%
Average unit price *(approximately RMB)*	332.68	332.68	332.68	0.0%
Transaction amount of other parts and components *(RMB')*	205,950,000	294,210,000	323,630,000	25.4%
Quantity of vehicle body	185,100	271,400	301,500	27.6%
Average unit price *(approximately RMB)*	413.9	404.5	414.7	0.1%
Transaction amount of vehicle body *(RMB')*	76,610,000	109,790,000	125,020,000	27.7%
Total transaction amount *(RMB')*	282,560,000	404,000,000	448,650,000	26.0%

	For the year ending 31 December			
	2026	**2027**	**2028**	**CAGR**
New CQACL Agreement				
Quantity	125,500	178,000	192,800	23.9%
Average unit price *(approximately RMB)*	882.7	746.5	839.3	-2.5%
Total transaction amount *(RMB')*	110,780,000	132,870,000	161,810,000	20.9%
New CQCC Agreement				
Quantity	61,000	87,500	96,000	25.5%
Average unit price *(approximately RMB)*	240.5	211.8	228.0	-2.6%
Total transaction amount *(RMB')*	14,670,000	18,530,000	21,880,000	22.1%
New CQFC Agreement				
– Supply of automobile parts by CQFC to the Company				
Quantity	83,000	115,000	130,000	25.2%
Average unit price *(approximately RMB)*	560.4	558.5	562.1	0.2%
Total transaction amount *(RMB')*	46,510,000	64,230,000	73,070,000	25.3%
– Provision of consolidated services by the Company to CQFC				
Total transaction amount *(RMB')*	2,900,000	3,330,000	3,830,000	14.9%

	For the year ending 31 December			
	2026	**2027**	**2028**	**CAGR**
New CQAC Agreement				
– Supply of automobile parts by CQAC to the Company				
Quantity	100,000	139,000	154,850	24.4%
Average unit price *(approximately RMB)*	8,026.9	8,462.9	8,618.8	3.6%
Total transaction amount *(RMB')*	802,690,000	1,176,350,000	1,334,620,000	28.9%
– Leasing of machineries from the Company				
Total transaction amount *(RMB')*	390,000	390,000	390,000	0.0%
New CQNHK Agreement				
Quantity	70,000	100,000	110,000	25.4%
Average unit price *(approximately RMB)*	1,425.6	1,492.6	1,513.4	3.0%
Total transaction amount *(RMB')*	99,790,000	149,250,000	166,470,000	29.2%
New CQPC Agreement				
Quantity	70,000	100,000	110,000	25.4%
Average unit price *(approximately RMB)*	2,292.7	2,276.4	2,277.5	-0.3%
Total transaction amount *(RMB')*	160,490,000	227,640,000	250,530,000	24.9%
Aggregate transaction Amount	1,520,780,000	2,176,590,000	2,461,250,000	27.2%

We noted from the schedules prepared by the Company that the projected average prices, where available, of the products under the New Parts Supply Agreement were comparable or lower to the historical average prices of the products of the same specification during the three years ended 31 December 2025. We understand from the management of the Company that the costs of parts and components are expected to be relatively stable in the coming years and shall be maintained at a level similar to the existing prices as the Company would request the Connected Persons to minimize the effect of the increase in cost on the price of the parts as far as possible through technology and management advancement. The Directors consider that the growth rates in the Annual Caps ranging from a CAGR of 20.9% to 29.2% to be reasonable, having taken into account the historical transaction amounts and the projected sales volume of the Group's vehicles, details of which are set out below.

Historical transaction amounts for the Parts Supply Agreements

We noted that save for Qingling Group Agreement, the historical transactions under the Parts Supply Agreement recorded an increase in historical transaction amount during the past three years.

The transaction amount under the CQACL Agreement increased at a CAGR of 124.5% during the three years ended 31 December 2025. The increase was mainly due to the demand for gearbox housings of the Company from CQACL to assemble into gearbox subassemblies to be sold to Bosch JV Company under the Bosch Sales Agreement entered into between the Company and Bosch JV Company on 13 May 2024 ("**Gearbox Agreement**"). Therefore, the transaction amounts under the CQACL Agreement increased from approximately RMB8.9 million for the year ended 31 December 2023 to approximately RMB14.7 million for the year ended 31 December 2024 and subsequently RMB44.7 million for the year ended 31 December 2025. To cater the demand in view of entering in the Gearbox Agreement, the Company has revised the annual cap for the year ended 31 December 2025 from RMB20.5 million to RMB76.8 million. As such, the utilisation rate was 61.7% and 90.7% for FY2023 and FY2024 but decreased to 58.2% in 2025 in face of the larger annual cap. The increase in the transaction amount for the other Parts Supply Agreement was a result of the increase in demand of automobile parts which is in line with the increase in number of vehicles sold from 31,089 units in FY2023 to 33,178 units in FY2024 according to the 2024 annual report.

We were advised by the management of the Company that the reduction in transaction amounts for Qingling Group Agreement, was attributable to a drop in the sales of box bodies due to changes in vehicle structure leading to a lowered market demand.

Save for the higher utilisation rate under CQACL Agreement, the utilisation rate for the Parts Supply Agreements ranged from 21.8% to 34.6% in 2025. Given that the annual cap for the three years ended 31 December 2025 took into account the projected sales plan for the three years ended 31 December 2025 as discussed in the section "Projected sales volume of the Group's vehicles" which was prepared with the anticipation of economic recovery post Covid, favourable policy implementation and upward industry cycle, but the actual sales volume fell short and only met less than half of the projected sales plan, the low utilisation rate was in line with the sales trend of the Company during the three years ended 31 December 2025.

(c) The New Qingling Zhuanyong Moulds Supply Agreement

The Annual Caps of the New Qingling Zhuanyong Moulds Supply Agreement were determined by reference to the estimated number of moulds and related products/services and estimated value of the maintenance and processing services required by Qingling Moulds for the Group's production for the three years ending 31 December 2028.

During the past three years ended 31 December 2025, transactions under the QM Moulds Supply Agreement have only been carried out in the year ended 31 December 2023 and the utilisation rate during 2023 was less than 1%. We understand this was due to a change in the production plan of Qingling Mould requiring moulds and/or related product/services provided by Qingling Zhuanyong Brake due to a shift in market demand.

We noted that the Annual Caps for the New Qingling Zhuanyong Moulds Supply Agreement in relation to the purchase of moulds and related products and services were projected to be RMB3.0 million, RMB5.0 million and RMB8.0 million for each of the three years ending 31 December 2028. We were given to understand in view of the low utilisation rate for the three years ended 31 December 2025, and the renewed Annual Caps for the coming three years ending 31 December 2028 are reduced substantially compare to the annual caps under the QM Moulds Supply Agreement for the three years ended 31 December 2025.

Although according to the production plan of Qingling Mould, it is expected that the demand of products and/or services from Qingling Zhuanyong Brake will continue to remain at similar low level in the coming three financial years ended 31 December 2028, however, in the event there are changes in the production plan, Qingling Mould would still require moulds and/or related products/services from Qingling Zhuanyong Brake, hence it is necessary to enter into the New Qingling Zhuanyong Moulds Supply Agreement to govern such transactions to cater for purchase of the moulds and related products/services.

Based on the above, we are of the view that the Annual Caps for the New Qingling Zhuanyong Moulds Supply Agreement proposed by the Directors to be appropriate.

(d) The New Hydrogen-powered Modules Supply Agreement

The Annual Caps of the New Hydrogen-powered Modules Supply Agreement were set by the Board by reference to (i) the sales capacity of the Group; (ii) the expected sales volume of the hydrogen fuel cell vehicles of the Company during the three years ending 31 December 2028; and (iii) the market prices of hydrogen-powered modules and their price trends.

The Annual Caps of the New Hydrogen-powered Modules Supply Agreement are proposed to be RMB988.71 million, RMB1,759.72 million and RMB2,594.62 million for the three years ending 31 December 2026, 2027 and 2028. We noted that the Annual Cap for the year ending 31 December 2026 is significantly higher than the transaction amount for the year ended 31 December 2025 and the annual caps for the three years ended 31 December 2025. We were given to understand that in determining the Annual Cap for the year ending 31 December 2026, the Company has taken into account, among others, the factors set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" indicating the gradual recovery of the domestic automotive market in view of overall stable and progressive economic performance of the PRC and driven by rapid growth in new energy vehicles and exports, and expected ease of price wars which will bring on recovery in both sales and profit margin for the next three years ended 31 December 2028 and the supportive government policies to encourage the development of the hydrogen-fuelled vehicle market both at a national and local level.

As set out in the Letter from the Board, the management also considered that the demand for new energy vehicles (such as hydrogen-powered vehicles) is expected to gradually increase and new energy vehicles are likely to become the mainstream of commercial vehicles for the three years ending 31 December 2028. Having considered the above, the Company expected that the number of vehicles to be sold by the Group would increase substantially in 2026 as compared to 2025, details of which are set out in the section headed "Projected sales volume of the Group's vehicles" above.

During the three years ended 31 December 2025, the Company produced 7 types of hydrogen fuel cell commercial vehicles comprising 218 units, 84 units and 537 units. The historical transaction amount was approximately RMB112.9 million, RMB123.2 million and RMB53.65 million, respectively. Despite the increase in the production units in 2025, the historical transaction amount decreased as hydrogen modules from previous years' inventory were used in production, resulting in a lower transaction amount for 2025. As the development of hydrogen powered vehicles was still in early stages during the three years ended 31 December 2025, the relatively higher costs in production resulted in inflated prices

for the hydrogen vehicles. In addition, the market adopted a wait and see approach in face of uncertain governmental support towards 2024 and 2025 as discussed in the section "Outlook of the Commercial Vehicle Industry in the PRC" above hence the development of the market and demand was lower than anticipated. Consequently, the Company's demand of hydrogen modules has fallen short of projected targets, leading to the low utilization rate.

We have reviewed the Company's production plan regarding the hydrogen fuel cell commercial vehicles and noted that the Company plans to further increase its production volume of hydrogen fuel cell commercial vehicles to 2,000 units, 3,200 units and 4,600 units for the years ending 31 December 2026, 2027 and 2028 respectively, having considered (i) "New Energy Vehicles Industry Development Plan" (新能源汽車產業發展計劃) issued by the PRC government indicating a goal that hydrogen fuel cell vehicles sold should reach 2 million units in 2030; (ii) the plan to build hydrogen energy technology industrial parks in the western part of the PRC and create a hydrogen valley proposed by the Jiulongpo district government of the Chongqing municipality; and (iii) the increasing demand of the new energy commercial vehicles as evidenced by the growth in the production volume and sales volume of new energy commercial vehicles in the PRC for January to August 2025 of approximately 37.3% and 36.7% from the previous corresponding period respectively.

We noted from the schedules for preparing the Annual Caps of the transactions under the New Hydrogen-powered Modules Supply Agreement that the quantity to be purchased by the Company would increase at a CAGR of approximately 51.7% for the three years ending 31 December 2028 from 2,000 units in 2026, 3,200 units in 2027 to 4,600 units in 2028, having taken into account the Company's production plan of the hydrogen fuel cell commercial vehicles. We are satisfied that the expected quantity of modules to be purchased by the Group in calculating the Annual Caps of the New Hydrogen-powered Modules Supply Agreement is generally in line with the needs under the production plan of the Company for the three years ending 31 December 2028.

We also noted from the schedules prepared by the Company that the projected average prices of the products under the New Hydrogen-powered Modules Supply Agreement would be stable during the three years ending 31 December 2028 as the costs of products is expected to be relatively constant in the coming years as the technology and matures and competition stabilises. Based on the above and taking into account that the historical average prices of the products were comparable to the projected average prices, we are of the view that the projected average prices of the products under the New Hydrogen-powered Modules Supply Agreement are fair and reasonable.

We also consider that the Annual Caps under the New Hydrogen-powered Modules Supply Agreement to be appropriate.

(e) The New Sales Bosch Agreement

The Annual Caps of the New Bosch Sales Agreement were determined by reference to (i) the market prices of raw materials for gearbox sub-assemblies and their trend; (ii) the procurement and assembly capabilities of the Company and its subsidiaries; and (iii) the expected demand for gearbox subassemblies by the Bosch JV Company since the New Bosch Sales Agreement having become effective till the end of 2028.

We noted that the historical transaction amounts of the transactions under the Bosch Sales Agreement increased over 80% during the period from 2024 to 2025. We were advised by the management of the Company that the increase was mainly attributable to the growth in demand from Bosch JV Company for gearboxes sub-assemblies due to the increased sales of gearbox. However, due to the combined impact of cost pressures, market demand, adjustments in supporting infrastructure development, and policy implementation, the demand from Bosch JV Company was lower than expected when estimating the annual caps for 2024 and 2025 and as a result, the Company's sales of gearbox subassemblies was below the expectation of projected targets, leading to the low utilization rate of 15.7% and 13.2%.

We have reviewed the breakdown of the Annual Caps of the New Bosch Sales Agreement and noted that the Annual Caps would increase a CAGR of 85.3%, from RMB326.47 million in 2026 to RMB1,120.73 million 2028. Set out below is the estimated breakdown of the gearbox subassemblies to be sold by the Company to Bosch JV Company when calculating the Annual Cap:

Type A gearbox sub-assembly:	**FY2026**	**FY2027**	**FY2028**
Estimated selling price *(RMB per unit)*	13,008.7	13,008.7	13,008.7
Estimated Sales Volume	6,500	8,000	11,800
Estimated Sales amount *(RMB)*	84,560,000	104,070,000	153,500,000
Type B gearbox sub-assembly:			
Estimated selling price *(RMB per unit)*	9,793.7	9,793.7	9,793.7
Estimated Sales Volume	22,000	45,000	75,000
Estimated Sales amount *(RMB)*	215,460,000	440,720,000	734,530,000
Type C gearbox sub-assembly:			
Estimated selling price *(RMB per unit)*	17,628.1	17,628.1	17,628.1
Estimated Sales Volume	1,500	7,000	13,200
Estimated Sales amount *(RMB)*	26,440,000	123,400,000	232,690,000

As set out above, we noted from the schedule that the Company expects the average selling price to remain stable but expects an increase in projected number of units to be sold at a CAGR ranging from 34.7% to 196.6% having taken into account the growth of the electric vehicle market in China as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above and the strengthened cooperation relationship between Bosch JV Company and the Group. Despite the abovesaid expected increase in number of units to be sold, the Annual Cap for the year ended 31 December 2026 and 2027 has been downwardly adjusted compared to the annual cap under the Bosch Sales Agreement for the two years ended 31 December 2025 in view of the low utilisation rate. The Company however expects that as new energy vehicles are foreseen to become the mainstream commercial vehicles, there will be a growing demand for electric drive gearboxes in the market, a larger annual cap for the year ended 31 December 2028 was obtained.

We were given to understand that in determining the Annual Cap for the year ended 31 December 2026, the Company has considered, among others, (i) the outlook of the commercial vehicle industry in the PRC, details of which are set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above and its expectation that the development of the commercial vehicle industry, especially the growth in new energy vehicles will lead to the increased demand for electric drive gearbox to be supplied by the Company; and (ii) the Company is the sole supplier of electric drive gearbox to Bosch JV Company and the cooperation will enable the Company to fully utilise its existing technical experience to produce gearboxes that meet the requirements of Bosch and can leverage its comprehensive technology in traditional fuel vehicle gearboxes to transfer and upgrade its gearboxes and thus the projected expansion of the Group's sales capacity.

Based on the above, we consider that the Annual Caps of the New Bosch Sales Agreement to be appropriate.

(f) The New Supply Agreement

The Annual Caps of the New Supply Agreement each represents the estimated transaction amounts in each relevant year in respect of each of (a) the supply of engine parts and raw materials by the Company to IEC; and (b) the supply of engines and their parts by IEC to the Company, and were determined by reference to (i) the production capacity of each car model of the Group; (ii) the expected sales volume of the Company for the three years ending 31 December 2028; and (iii) the aggregate supply and demand of IEC.

We noted that the historical transaction amount recorded for (i) supply of engine parts and raw materials by the Company to IEC and (ii) for the supply of engine and parts by IEC to the Company decreased with a compound annual decline rate of approximately 12.4% and 4.7% during the past three years, respectively. As new energy vehicles gaining a larger market share caused a shift in the sales mix of vehicle models, the demand for engine assemblies of non-NEVs is reduced. Concurrently, the supply of engine components from the Company to IEC has decreased. Consequently, the utilisation rate for both supply of engine parts and raw materials by the Company to IEC and supply of engine and parts by IEC to the Company was low. Subsequently, the Company reduced the annual cap for the three years ended 31 December 2028 compared to the annual caps obtained for the three years ended 31 December 2025.

We were given to understand that in determining the Annual Cap for the year ending 31 December 2026, the Company has discussed with IEC and considered, among others, the outlook of the commercial vehicle industry in the PRC, details of which are set out in the section headed "Outlook of the Commercial Vehicle Industry in the PRC" above and anticipate that the commercial vehicle industry would record an upward trend in view of overall stable and progressive economic performance of the PRC and gradual recovery of the domestic automotive market, coupled with supporting government policies and the expected ease of price wars which will bring on recovery in both sales and profit margin for the next three years ended 31 December 2028. Having considered the above, the Company anticipates that the number of vehicles to be sold by the Group would still continue to increase in 2026 as compared to 2025, details of which are set out in the section headed "Projected sales volume of the Group's vehicles" above.

We have reviewed the schedule for the expected average costs and projected number of units (i) to be supplied by the Company to IEC and; and (ii) to be supplied by IEC to the Company as set out below:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**	**CAGR**
New Supply Agreement				
– Supply of engine parts and raw materials by the Company to IEC				
Quantity	40,000	50,000	58,000	20.4%
Average unit price *(approximately RMB)*	11,130	10,612	10,983	-0.7%
Total transaction amount *(RMB')*	445,200,000	5,306,000,00	637,000,000	19.6%

	For the year ending 31 December 2026	For the year ending 31 December 2027	For the year ending 31 December 2028	CAGR
– Supply of engine parts and their parts by IEC to the Company				
Quantity	40,000	50,000	58,000	20.4%
Average unit price *(approximately RMB)*	27,589	26,871	27,810	0.4%
Total transaction amount *(RMB')*	1,103,580, 000	1,343,550,000	1,613,000,000	20.9%

We note that the Company expects the average costs for the three years ended 31 December 2028 to remains constant and comparable to that during the three years ended 31 December 2025. Furthermore, the number of units to be supplied by the Company and the number of units to be supplied by IEC will both increase at a CAGR of 20.4%. We further understand from the Management that the Annual Caps of the New Supply Agreement took into account the projected vehicle sales volume the Company for the coming three years ended 31 December 2028 as set out in the section headed "Projected sales volume of the Group's vehicles" and the projected increase of transaction under the New Supply Agreement aligns with the projected vehicle sales of the Company which is expected to grow at a CAGR of 25.4%.

Based on the above, we are of the view that the Annual Caps for the New Supply Agreement proposed by the Directors to be appropriate.

(g) The New Autoparts and Materials Agreement

The Annual Caps for the New Autoparts and Materials Agreement comprised of the supply of scrap materials and supply of auto parts respectively:

	For the year ending 31 December 2026	**For the year ending 31 December 2027**	**For the year ending 31 December 2028**
	RMB'million	RMB'million	RMB'million
Scrap materials	23.74	35.62	53.42
Auto parts	180.58	289.12	304.45

The Annual Caps in relation to the supply of scrap materials were determined with reference to the actual amount of the relevant scrap metal left over from the Company's manufacturing process in 2024 and the amount of scrap metal to be produced for the three years ending 31 December 2028 based on the estimated sales volume of the Company's products.

The Annual Caps in relation to the supply of semi-finished auto parts was determined with reference to the estimated demand for such semi-finished auto parts for the three years ending 31 December 2028 taking into consideration the estimated sales of vehicle units.

We noted that the historical transaction amount under New Autoparts and Materials Agreement increased was RMB29.94 million in 2023, RMB50.93 million in 2024, and RMB52.53 million in 2025, representing an increase at a compound annual rate of approximately 32.5%. We were advised by the management of the Company that the growth in historical transaction amount was due to the shift in sales mix of vehicle models leading to increased requirements for higher priced semi-finished auto parts by Qingling Group Companies.

We have obtained the breakdown of the Annual Caps under the New Autoparts and Materials Agreement and noted that the Annual Caps of the New Autoparts Material Agreement for the three years ended 31 December 2028 will increase significantly compared to the annual caps under the Autoparts Material Agreement for the three years ended 31 December 2025. We noted that the schedules estimated set out the transaction amount expected for each Qingling Group Company for the three years ended 31 December 2028 and the transaction amount is expected to grow at a CAGR in the range of 15% to 50%, which is in line with the Annual Caps for the three years ending 31 December 2028 which would increase at a CAGR of approximately 32.3%.

Taking into account that (i) in relation to the supply of scrap materials, as it is with reference to the amount of scrap leftover from the Company's manufacturing process, considering that the projected increase sales volume as set out in the section "Projected sales volume of the Group's vehicles" above, the Company expects that there will be an increase in the amount of scrap metal leftover which can be supplied to the CQCC; and (ii) the improvement in the outlook of the industry as set out in the section "Outlook of the Commercial Vehicle Industry in the PRC" above, the Company expects a growth in demand from Qingling Group Companies for the semi-auto parts under the New Autoparts Materials Agreement, the Company obtained a larger cap for the three years ended 31 December 2028 to cater for the expected increase in transaction amounts.

Based on the above, we consider that the Annual Caps of the New Autoparts and Materials Agreement to be appropriate.

4. Internal control procedures adopted by the Company for the carrying out of the Non-exempt Continuing Connected Transactions

The Company has adopted the following internal control measures and procedures to ensure that (i) the terms of the Non-exempt CCT Agreements are fair and reasonable, on normal commercial terms (or, where applicable, on terms no less favourable than those available to Independent Third Parties), and in accordance with the pricing policy of the Company; and (ii) the transactions are conducted in accordance with the terms of the Non-exempt CCT Agreements:

(1) the Company has adopted and implemented a management system on connected transactions. According to such system, the planning department of the Company is responsible for conducting reviews on compliance with relevant laws, regulations, company policies and the Listing Rules of the Non-exempt CCT Agreements and the transactions contemplated thereunder. In addition, the finance department, procurement department and other relevant operation departments of the Company are jointly responsible for evaluating the terms of the Non-exempt CCT Agreements, in particular, the fairness and reasonableness of the pricing terms under each agreement; and

(2) the independent non-executive Directors have also reviewed the Non-exempt CCT Agreements and will continue to review and monitor the Non-exempt Continuing Connected Transactions to ensure such agreements are entered into on normal commercial terms, are fair and reasonable, and are carried out pursuant to the terms of such agreements. The auditors of the Company will also conduct an annual review on the pricing and annual caps of the Non-exempt Continuing Connected Transactions.

For illustrative purpose, when determining the actual selling price of a part or product to be supplied to the Company under the Non-exempt CCT Agreements, the corresponding vendor will provide the Company with a proposed price. As mentioned above, in order to ensure that the pricing terms under the Non-exempt CCT Agreements are fair and reasonable, the Company's finance department and other relevant operation departments will review the proposed price provided by the vendor in the following manner:

(a) if comparable market price is available, the proposed price will be compared with the market price to ensure that such proposed price is not higher than the selling price of the part or product with similar specifications, technology and quality requirements, etc. provided by any other third party manufacturer or vendor in the market;

(b) if no comparable market price is available, whether or not the proposed price is fair and reasonable will be determined based on the total cost of the part or product, which is estimated with reference to (i) the market price of the raw materials or semi-finished products forming the part or product; and (ii) the cost estimated to be required for manufacturing such part or product based on requirements in relation to the nature, functionality, technology and quality standards, etc., plus a profit margin of not more than the maximum profit margin level as stipulated under the relevant agreement, depending on the complexity of technologies and quality control procedures involved; and

(c) the proposed price will be further reviewed to ensure that it is in line with the pricing terms of the relevant agreement and, where applicable, the terms provided to the Company are no less favourable than those offered by the relevant vendor to an Independent Third Party.

In order to facilitate the abovementioned reviewing procedures, the planning department of the Company has a professional team which possesses market intelligence, knowledge and experience regarding the relevant technology, quality, pricing and profit margin level of different types of parts or products (including statistics obtained from the Economic Efficiency Indicators for the Automotive Industry from the NBS). Meanwhile, with the assistance of the relevant procurement experience of its procurement department, the Company is able to gather information on market prices and profit margin levels of different parts and products as well as their raw materials in the industry through industrial associations and independent autoparts suppliers in the PRC, which could then be used by the Company for comparison.

5. Reporting requirements and conditions of the Non-exempt Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Non-exempt Continuing Connected Transactions are subject to the following annual review requirements:

(a) each year the independent non-executive Directors must review the continuing connected transactions and confirm in the annual report that the continuing connected transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(b) each year the Auditor must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group (if applicable);

(iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and

(iv) have exceeded the annual cap;

(c) the Company shall allow, and shall ensure that the counterparties to the continuing connected transactions shall allow, the Company's auditors sufficient access to their records for the purpose of reporting on the continuing connected transactions as set out in paragraph (b); and

(d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the Auditor will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

Taking into account the above mentioned internal control measures, we concurred with the Board's view that adequate internal control procedures for governing on-going transactions are in place.

Furthermore, we have also reviewed the latest available letter issued by the auditor of the Company as at the Latest Practicable Date regarding the continuing connected transactions of the Company for the year ended 31 December 2025, pursuant to which nothing has come to the attention of the auditor of the Company that the continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Company.

In light of the above conditions, we are of the view that appropriate measures are in place to ensure that the Transaction will be conducted on normal commercial terms and to safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that: (a) the Proposed Annual Caps are fair and reasonable; (b) the entering into of the Non-exempt Continuing Connected Transactions is in the ordinary and usual course of business of the Group and, together with the Proposed Annual Caps, is in the interests of the Company and the Shareholders as a whole; and (c) the respective terms of the Non-exempt Continuing Connected Transactions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and together with the bases of determining the Proposed Annual Caps are fair and reasonable.

Accordingly, we would recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM in respect of the Non-exempt Continuing Connected Transactions and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Halcyon Capital Limited

Terry Chu	**Denise Law**
Managing Director	*Director*

Mr. Terry Chu is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 25 years of experience in corporate finance industry.

Ms. Denise Law is a person licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Halcyon Capital Limited and has over 15 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

Mr. Luo Yuguang is a director, the general manager and the deputy secretary of the Party Committee of Qingling Group, Mr. LI Juxing, Mr. XU Song and Mr. LI Xiaodong are the deputy general managers and members of the Party Committee of Qingling Group, Mr. NAKAMURA Koji is an executive officer of Isuzu, an executive officer of the Head Office of Business Department, the GR Domestic Coordination Department, the GR Domestic Business Development Department, the GR Domestic Commodity Policy Department and the Program Business Development Department as well as a managerial staff in the head office of the China Business Department, and Mr. KIJIMA Katsuya is an executive officer of the Vehicle Public Works Department and the Vehicle Quality Management Department of Isuzu.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company that had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(b) Persons or corporations who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

So far as was known to each Director or chief executive of the Company, as at the Latest Practicable Date, the following persons or corporations had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and the amount of each of such person's/corporate's interest in such securities, together with particulars of any options in respect of such capital:

Long positions in the Shares:

Name of Shareholder	Class of Shares	No. of Shares	Capacity	% of share capital of the relevant class	% of entire share capital
Qingling Group	Domestic Shares	1,243,616,403	Beneficial Owner	100%	50.10%
Isuzu	H Shares	496,453,654	Beneficial Owner	40.08%	20.00%

Note: As at the Latest Practicable Date, pursuant to the disclose of interests notice filed by Qingling Group on 22 August 2025, Qingling Group was owned as to 80% by Chongqing Yufu Holding Group Co., Ltd.* (重慶渝富控股集團有限公司) ("**Yufu Holding**") and as to 20% by Chongqing State-owned Assets Supervision and Administrative Commission* (重慶市國有資產監督管理委員會) ("**Chongqing SASAC**"), where Yufu Holding was a Chongqing municipal state-owned capital operating platform under Chongqing SASAC, which was wholly owned by Chongqing SASAC.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person or corporation who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who/which was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or any options in respect of such capital.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contract with any member of the Group which does not expire or is not determinable by the relevant member of the Group within one year without compensation (other than statutory compensation).

4. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors were aware of, none of the Directors nor their respective close associates had any interests which competed or may compete, directly or indirectly, with the Company's business.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were of the view that there was no material adverse change in the financial and trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. INTERESTS IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Halcyon Capital Limited	A licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, Halcyon Capital Limited was not interested beneficially or non-beneficially in any Shares or shares in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, Halcyon Capital Limited did not have any direct or indirect interest in any asset which had been, since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Halcyon Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter dated 17 April 2026 and reference to its name and logo in the form and context in which they respectively appear.

8. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are on display and are published on the website of the Stock Exchange (www.hkexnews.com) and the website of the Company (www.qingling.com.cn) for a period of 14 days from the date of this circular:

(i) the New Chassis Supply Agreement;

(ii) the New Parts Supply Agreements;

(iii) the New Qingling Zhuanyong Moulds Supply Agreement;

(iv) the New Hydrogen-powered Modules Supply Agreement;

(v) the New Bosch Sales Agreement;

(vi) the New Supply Agreement; and

(vii) the New Autoparts and Materials Agreement.

9. GENERAL

Save as otherwise stated in this circular, the English text of this circular shall prevail over the Chinese text in the event of inconsistency.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Qingling Motors Co. Ltd (the "**Company**") will be held at the Conference Room, Intelligent Network New Energy Commercial Vehicle Research and Development Center (智能網聯新能源商用車研發中心) of the Company, 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the People's Republic of China (the "**PRC**") on Friday, 15 May 2026 at 10 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the following ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into between the Company and 慶鈴汽車(集團)有限公司 (Qingling Motors (Group) Co. Ltd*) ("**Qingling Group**") (for itself and on behalf of its wholly-owned subsidiary – 重慶慶鈴專用汽車有限公司(Chongqing Qingling Zhuanyong Vehicle Co., Ltd*) ("**Qingling Zhuanyong**") in respect of the supply of automobile chassis and related components by the Company to Qingling Group and/or Qingling Zhuanyong (the "**New Chassis Supply Agreement**", a copy of which marked "A" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the circular of the Company dated 17 April 2026 (the "**Circular**")) be and are hereby approved;

and any one director ("**Director(s)**") or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Chassis Supply Agreement and the transactions thereby contemplated and the annual caps."

2. "**THAT:**

(a) the conditional agreements dated 30 December 2025 entered into: (i) between Qingling Group (for itself and on behalf of its subsidiaries – 重慶慶鈐專用汽車有限公司製動器分公司 (Brake Branch of Qingling Zhuanyong Vehicle Co., Ltd*) ("**Qingling Zhuanyong Brake**"), Qingling Zhuanyong and 重慶慶鈐專用汽車有限公司底盤分公司 (Chassis branch of Qingling Zhuanyong Vehicle Co., Ltd*) and the Company (the "**New Qingling Group Agreement**"); (ii) between 重慶慶鈐鍛造有限公司鑄鋁分公司 (Aluminium Casting Branch of Chongqing Qingling Forging Co. Ltd.*) and the Company (the "**New CQACL Agreement**"); (iii) between 重慶慶鈐鍛造有限公司鑄造分公司 (Casting Branch of Chongqing Qingling Forging Co. Ltd.*) and the Company (the "**New CQCC Agreement**"); (iv) between 重慶慶鈐鍛造有限公司(Chongqing Qingling Forging Co. Ltd.*) ("**CQFC**") and the Company (the "**New CQFC Agreement**"); (v) between 重慶慶鈐車橋有限公司 (Chongqing Qingling Axle Co. Ltd.*) ("**CQAC**") and the Company (the "**New CQAC Agreement**"); (vi) between 重慶慶鈐日發座椅有限公司(Chongqing Qingling NHK Seat Co. Ltd.*) ("**CQNHK**") and the Company (the "**New CQNHK Agreement**"); and (vii) between 重慶慶鈐塑料有限公司(Chongqing Qingling Plastic Co. Ltd.*) ("**CQPC**") and the Company (the "**New CQPC Agreement**") (copies of which marked "B" have been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one Director or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New CQACL Agreement, the New Qingling Group Agreement, the New CQCC Agreement, the New CQFC Agreement, the New CQAC Agreement, the New CQNHK Agreement and the New CQPC Agreement and the transactions thereby contemplated and the annual caps."

3. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into between Qingling Zhuanyong Brake and 重慶慶鈐模具有限公司(Chongqing Qingling Moulds Co. Ltd.*) ("**Qingling Moulds**") in respect of the supply of moulds and related products and provision of maintenance and processing services by Qingling Zhuanyong Brake to Qingling Moulds (the "**New Qingling Zhuanyong Moulds Supply Agreement**", a copy of which marked "C" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one director or the authorised person(s) of Qingling Moulds be and is(are) hereby authorised on behalf of Qingling Moulds to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Qingling Zhuanyong Moulds Supply Agreement and the transactions thereby contemplated and the annual caps."

4. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into between Bosch Hydrogen Powertrain Systems (Chongqing) Co. Ltd. (the "**Bosch JV Company**") and the Company in respect of the supply of hydrogen-powered modules by the Bosch JV Company to the Company (the "**New Hydrogen-powered Modules Supply Agreement**", a copy of which marked "D" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one Director or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Hydrogen-powered Modules Supply Agreement and the transactions thereby contemplated and the annual caps."

5. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into between the Company and Bosch JV Company in respect of sales of gearbox assemblies by the Company to the Bosch JV Company (the "**New Bosch Sales Agreement**", a copy of which marked "E" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one Director or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Bosch Sales Agreement and the transactions thereby contemplated and the annual caps."

6. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into between the Company and 五十鈴(中國)發動機有限公司(Isuzu (China) Engine Co., Ltd.*) ("**IEC**") in respect of the supply of engine parts and raw materials by the Company to IEC and the supply of engines and their parts by IEC to the Company (the "**New Supply Agreement**", a copy of which marked "F" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one Director or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Supply Agreement and the transactions thereby contemplated and the annual caps."

7. "**THAT:**

(a) the conditional agreement dated 30 December 2025 entered into amongst the Company and CQCC, CQFC, CQACL, CQAC, CQPC, CQNHK, Qingling Zhuanyong Chassis, Qingling Zhuanyong Brake and Qingling Zhuanyong (collectively, the "**Qingling Autoparts Companies**") in respect of the provision of scrap metal, semi-finished auto parts and crafting materials by the Company to the Qingling Autoparts Companies (the "**New Autoparts and Materials Agreement**", a copy of which marked "G" has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) the relevant annual caps for each of the three years ending 31 December 2028 (as set out in the Circular) be and are hereby approved;

and any one Director or the authorised person(s) of the Company be and is(are) hereby authorised on behalf of the Company to sign, seal and execute all such other documents and agreements and to do all such acts and things as he/she may in his/her discretion consider necessary or desirable or expedient to implement and/or to give effect to the New Autoparts and Materials Agreement and the transactions thereby contemplated and the annual caps."

By Order of the Board
Qingling Motors Co. Ltd
SONG Xiumin
Company Secretary

Chongqing, the PRC, 17 April 2026

Notes:

(1) Any shareholder entitled to attend and vote at the EGM mentioned above is entitled to appoint one or more proxies to attend and vote at the general meeting on his/her/its behalf in accordance with the articles of association of the Company. A proxy need not be a shareholder of the Company.

(2) In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be deposited at the legal address of the Company at 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the PRC (in the case of proxy form of holders of domestic shares) or at the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in the case of proxy form of holders of H shares) not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof.

(3) Shareholders or their proxies shall produce their identity documents when attending the EGM.

(4) To ascertain the shareholders' entitlement to attend and vote at the EGM, the register of shareholders of the Company ("**Shareholders**") will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026 (both dates inclusive), during which period no transfer of shares will be registered. All duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 11 May 2026.

(5) The record date for the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM is Friday, 15 May 2026. Shareholders whose names appear on the register of Shareholders on Friday, 15 May 2026 are entitled to attend and vote at the EGM.

(6) The EGM is not expected to take more than half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travel and accommodation expenses.

(7) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"), all votes of the shareholders at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) and 13.39(5A) of the Listing Rules.

As at the date of this notice, the Board comprises 11 Directors, of which Mr. LUO Yuguang, Mr. NAKAMURA Koji, Mr. KIJIMA Katsuya, Mr, TSUKUI Mikio, Mr. LI Juxing, Mr. XU Song 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*