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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)**

## **DISCLOSABLE AND CONNECTED TRANSACTION CAPITAL REDUCTION OF QINGLING MOULDS**

### **CAPITAL REDUCTION**

The Board hereby announces that on 16 October 2026 (after trading hours), the Company, Qingling Group and Qingling Moulds entered into the Capital Reduction Agreement, pursuant to which Qingling Group proposes to reduce its approximately 49.4% equity interest in Qingling Moulds for a consideration of RMB202,203,596.77, such that the registered share capital of Qingling Moulds will be reduced from RMB308,866,978 to RMB156,286,691, representing a corresponding reduction in registered share capital of RMB152,580,287. Upon completion of the Capital Reduction, the Company's shareholding in Qingling Moulds will increase from approximately 50.6% to 100%, and Qingling Moulds will remain a subsidiary of the Company, with its financial results continuing to be consolidated into the consolidated financial statements of the Group.

### **LISTING RULES IMPLICATION**

As at the date of this announcement, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the total issued share capital of the Company. Therefore, Qingling Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Capital Reduction Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the announcement, the circular, the annual reporting and the requirements to obtain Independent Shareholders' approval set out in Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the transaction contemplated under the Capital Reduction Agreement exceeds 5% but all of them are less than 25%, the Capital Reduction Agreement and the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The EGM will be convened by the Company to seek the Independent Shareholders' approval for the Capital Reduction. All Shareholders (together with their associates) who have a material interest in the Capital Reduction shall abstain from voting at the EGM.

Qingling Group is the controlling shareholder of the Company, holding approximately 50.10% of the total issued share capital of the Company; it controls or is entitled to control the voting rights attached to those shares. Consequently, Qingling Group and its associates shall abstain from voting on the relevant resolution(s) to be proposed at the EGM.

The Independent Board Committee has been formed and will advise the Independent Shareholders as to, among others, whether the terms of the Capital Reduction Agreement and the transaction contemplated thereunder 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 relevant resolution(s) to be proposed at the EGM, having taken into account the recommendations of the Independent Financial Adviser.

Rainbow Capital (HK) Limited has been appointed by the Company as its Independent Financial Adviser and will give recommendations to the Independent Board Committee and the Independent Shareholders on, among others, whether the terms of the Capital Reduction Agreement and the transaction contemplated thereunder 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 relevant resolution(s) to be proposed at the EGM.

In accordance with the Listing Rules, the Company will despatch a circular to the Shareholders as soon as practicable containing, among other things, further details of the discloseable and connected transaction, a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser, together with the notice of the EGM. As additional time is required to prepare and finalise the aforesaid information to be included in the circular, it is expected that the Company will despatch the circular on or before 15 November 2026.

## INTRODUCTION

The Board hereby announces that on 16 October 2026 (after trading hours), the Company, Qingling Group and Qingling Moulds entered into the Capital Reduction Agreement, pursuant to which Qingling Group proposes to reduce its approximately 49.4% equity interest in Qingling Moulds for a consideration of RMB202,203,596.77, such that the registered share capital of Qingling Moulds will be reduced from RMB308,866,978 to RMB156,286,691, representing a corresponding reduction in registered share capital of RMB152,580,287. Upon completion of the Capital Reduction, the Company's shareholding in Qingling Moulds will increase from approximately 50.6% to 100%, and Qingling Moulds will remain a subsidiary of the Company, with its financial results continuing to be consolidated into the consolidated financial statements of the Group.

## CAPITAL REDUCTION AGREEMENT

The principal terms of the Capital Reduction Agreement as agreed among the parties are summarised below:

Date: 16 October 2026 (after trading hours)

Parties: (i) the Company;

(ii) Qingling Group; and

(iii) Qingling Moulds.

Capital Reduction: Qingling Group's entire approximately 49.4% equity interest in Qingling Moulds corresponds to a capital reduction, resulting in a reduction in registered share capital of RMB152,580,287 (being the amount of Qingling Group's original capital contribution credited to the registered share capital of Qingling Moulds, representing approximately 49.4% equity interest in Qingling Moulds). Upon completion of the Capital Reduction, the registered share capital of Qingling Moulds will be changed to the amount originally subscribed by the Company, i.e. RMB156,286,691.

Consideration: RMB202,203,596.77, being the appraised net asset value of Qingling Moulds as at 30 June 2026 (i.e. RMB424,564,000 (including Qingling Moulds' 2025 profit distribution amount)) less Qingling Moulds' 2025 profit distribution amount (i.e. RMB15,244,978.19), multiplied by the equity interest percentage of Qingling Group to be reduced upon its exit from Qingling Moulds (i.e. 49.4%).

Basis of Consideration: The Consideration to be paid by Qingling Moulds to Qingling Group for the Capital Reduction was determined after arm's length negotiations among the Company, Qingling Group and Qingling Moulds, with reference to the appraised net asset value of Qingling Moulds as at the Valuation Benchmark Date.

As set out in the Valuation Report, the appraised net asset value of Qingling Moulds as at the Valuation Benchmark Date was RMB424,564,000 (which included the 2025 profit distribution amount of RMB15,244,978.19, planned to be paid in October 2026). After deducting the 2025 profit distribution amount from the appraised value, the appraised net asset value corresponding to Qingling Group's 49.4% equity interest in Qingling Moulds amounted to RMB202,203,596.77. The Company engaged 江蘇天健華辰資產評估有限公司 (Jiangsu Tianjian Huachen Asset Appraisal Co., Ltd.\*) to conduct the asset valuation of Qingling Moulds and prepare the Valuation Report.

As the net asset value of Qingling Moulds was conducted using the income approach, such income approach-based valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules, and accordingly, the Company is required to comply with the announcement requirements under Rule 14.60A of the Listing Rules. Pursuant to Rule 14.60A of the Listing Rules, the Company will publish a further announcement within 15 business days after the publication of this announcement.

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payment of<br>Consideration: | The Consideration shall be paid by Qingling Moulds to the bank account designated by Qingling Group within 30 calendar days after the Capital Reduction Agreement becomes effective and upon satisfaction of the Conditions Precedent and completion of the change registration procedures with the relevant Market Supervision Administration in respect of the Capital Reduction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Transitional Period:         | <p>The transitional period is from 30 June 2026 to the date on which the Capital Reduction Agreement becomes effective.</p> <p>The profit during the transitional period shall be borne by the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Conditions Precedent:        | <p>Pursuant to the Capital Reduction Agreement, payment of the Consideration is subject to the satisfaction of the following Conditions Precedent:</p> <ol style="list-style-type: none"> <li>1. all compliance requirements in respect of the creditor notification and announcement procedures for Qingling Moulds (including the revision of the debt succession scheme, settlement of debts or provision of corresponding guarantees in response to any objections raised by creditors of Qingling Moulds within the statutory time limit) have been satisfied and confirmed by the parties;</li> <li>2. the Capital Reduction and the transactions contemplated under the Capital Reduction Agreement have been approved by the shareholders/independent shareholders, respectively, at the general meetings of Qingling Moulds and the Company;</li> <li>3. all necessary consents, filings and approvals from the relevant government authorities or regulatory bodies (including the Stock Exchange) in respect of the Capital Reduction have been obtained, and no decree, regulation, rule or decision has been proposed, enacted or adopted by any government authority or regulatory body (including the Stock Exchange) that prohibits or restricts the implementation of the Capital Reduction.</li> </ol> |

The above Conditions Precedent cannot be waived.

Other Terms: After the Capital Reduction takes effect, Qingling Moulds and the Company shall cooperate with Qingling Group in completing the reporting and change procedures with relevant competent authorities such as the state-owned assets and taxation authorities in connection with the Capital Reduction.

## INFORMATION ON QINGLING MOULDS

Qingling Moulds is a company established in the PRC with limited liability, which is principally engaged in the manufacture and sale of moulds. As at the date of this announcement, approximately 50.6% and 49.4% equity interest in Qingling Moulds are held by the Company and Qingling Group, respectively.

## FINANCIAL INFORMATION OF QINGLING MOULDS

The audited profit of Qingling Moulds before and after taxation for the two years ended 31 December 2024 and 31 December 2025 is set out below:

|                        | For the year ended |                |
|------------------------|--------------------|----------------|
|                        | 31 December        |                |
|                        | 2024               | 2025           |
|                        | <i>approx.</i>     | <i>approx.</i> |
|                        | <i>RMB'000</i>     | <i>RMB'000</i> |
| Profit before taxation | 18,959.6           | 19,928.1       |
| Profit after taxation  | 16,130.2           | 16,938.9       |

The audited net asset value of Qingling Moulds as at 30 June 2026 was approximately RMB414,878.4 thousand.

## VALUATION REPORT

According to the Valuation Report, the fair value of the total shareholders' equity of Qingling Moulds as appraised in the Valuation Report as at the Valuation Benchmark Date was prepared using the income approach. The scope of the valuation covered all assets and liabilities of Qingling Moulds as at the Valuation Benchmark Date. The market value of the total shareholders' equity of Qingling Moulds as at the Valuation Benchmark Date was RMB424,564,000.

## **VALUATION METHOD**

The Valuation Report contains an analysis of the applicability of two fundamental approaches, namely the income approach and the asset-based approach, and selected the appropriate valuation method.

### **(1) Income Approach**

The income approach refers to the collective assessment methods used to determine the value of a valuation target by capitalizing or discounting its expected return. The income approach in the enterprise value valuation refers to the method of appraising the value of the valuation target by capitalizing or discounting the expected return. Asset valuation professionals should properly consider the applicability of the income approach in light of the nature of the valued enterprise, the size of the assets, the history of operations, the predictability of future earnings and the adequacy of the valuation information obtained. The income approach for enterprise value valuation mainly includes the dividend discount model and the discounted cash flow model.

### **(2) Asset-based Approach**

Asset-based approach refers to the approach of evaluating the value of various assets and liabilities on and off the balance sheet of the valuation target based on the balance sheet of the valuation target on the Valuation Benchmark Date to determine its value. The asset-based approach is adopted for enterprise value valuation, and the value of each asset shall be obtained by selecting appropriate specific valuation methods according to its specific condition. The selected valuation methods may differ from those used when such asset is valued as an individual asset valuation target, and consideration shall be given to its contribution to enterprise value.

## **VALUATION METHOD SELECTION**

The Independent Valuer is of the view that the value of an enterprise is generally based not on the cost of re-establishing such enterprise, but on the market participants' expectations of future income. Having investigated the financial position and analysed the operating conditions of the enterprise under valuation, and taking into account the subject of valuation, the purpose of valuation and the applicable type of value for this asset valuation, and following a comparative analysis, the Independent Valuer considers that the conclusion derived under the income approach can more comprehensively and reasonably reflect the intrinsic value of the enterprise. Therefore, the valuation conclusion derived under the income approach was adopted as the final valuation conclusion for this valuation.

## **VALUATION ASSUMPTIONS**

### **(I) General Assumptions:**

1. Transaction assumption: It is assumed that all assets to be valued are already in the course of a transaction, and the Independent Valuer simulates the market and conducts the valuation based on the transaction conditions of the assets to be valued.
2. Open market assumption: The open market assumption is a hypothesis regarding the conditions of the market in which the assets are expected to be placed and how the assets would be affected under such market conditions. An open market refers to a fully developed and sophisticated market, being a competitive market with willing buyers and sellers, where buyers and sellers have equal standing, with access to adequate market information and sufficient time, and where transactions between buyers and sellers are conducted on a voluntary, rational, non-mandatory and unrestricted basis.
3. Going concern assumption: This is a valuation assumption made with the enterprise's overall assets as the subject of valuation. It assumes that after the Valuation Benchmark Date, the enterprise under valuation, as a going concern, will continue to operate in its current internal and external environment in accordance with its business objectives, and that all assets of the enterprise may continue to be used in their existing location and for their existing purposes.

### **(II) Valuation Assumptions of Income Approach**

1. There will be no material change in the existing applicable laws, regulations and policies of the PRC or the macro-economic conditions of the PRC; there will be no material change in the political, economic and social environment of the regions where the parties to the transaction are located; and there will be no other force majeure events or unforeseeable factors that would cause material adverse effects on the enterprise under valuation.
2. It is assumed that the operators of the enterprise under valuation are responsible, and the management of the enterprise under valuation is competent to perform its duties.
3. Unless otherwise stated, it is assumed that the enterprise under valuation complies with all relevant laws and regulations in full.

4. It is assumed that the accounting policies to be adopted by the enterprise under valuation in the future are substantially consistent in all material respects with those adopted in the preparation of this report.
5. It is assumed that, on the basis of its existing management approach and management standards, the business scope and mode of the enterprise under valuation will remain consistent with its current direction.
6. There will be no material changes in interest rates, exchange rates, tax base and tax rates, or policy-driven levies and charges.
7. It is assumed that the operating cash flows of the enterprise under valuation during the future periods occur evenly within each year.
8. Based on the lease agreement provided by the enterprise under valuation, the lease term of the land use right is from 1 January 2026 to 31 December 2028. It is assumed that the land parcel where the enterprise under valuation is located may be renewed at market rent levels upon expiry of the lease term.
9. The enterprise under valuation obtained the high-tech enterprise certification on 16 October 2023 with Certificate No. GR202351101102, which is valid for three years. According to Qingling Moulds, it has submitted an application for re-certification and is currently under review. The valuer has reviewed and verified the re-certification materials. For this valuation, we assume that the enterprise under valuation will continue to satisfy the requirements under the Administrative Measures for the Recognition of High-tech Enterprises\* (《高新技術企業認定管理辦法》) in future years, obtain the high-tech enterprise recognition, and enjoy the relevant preferential tax policies in accordance with the prevailing regulations, i.e. a preferential corporate income tax rate of 15%.

In accordance with the requirements of asset valuation, the Independent Valuer confirmed that these assumptions were valid as at the Valuation Benchmark Date when assessing the value of the total shareholders' equity of Qingling Moulds, and derived the corresponding valuation conclusions based on these assumptions. If the above assumptions change, the Independent Valuer shall not be liable for any different valuation conclusions derived as a result of such changes in assumptions.

## **INFORMATION ABOUT THE PARTIES**

The Company is a sino-foreign joint venture joint stock limited company incorporated in the PRC and is principally engaged in the production of road motor vehicles, sale of automobiles and new-energy vehicles, as well as the research and development, manufacture and sale of automobile parts and components. It also carries out ancillary businesses including technical services, import and export of goods and technologies, and maintenance and servicing of motor vehicles

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. Qingling Group is also the controlling shareholder of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL REDUCTION AGREEMENT**

Established in 1995, Qingling Moulds has been deeply engaged in the mould research, development and manufacturing sector for many years. It has now grown into a specialised mould enterprise with a comprehensive range of product categories, leading technology and a scale that ranks among the top in the industry in the PRC. Qingling Moulds' core business focuses on the development and production of automotive body panel moulds, high-strength plate moulds, automated moulds and frame moulds. With solid technological accumulation and production capability, it has established a strong brand reputation in the PRC mould industry.

Qingling Moulds has actively introduced and absorbed the advanced mould design and manufacturing core technologies of Isuzu, Japan for passenger cars and commercial vehicles. It possesses the scalable R&D and manufacturing capacity to produce 500 sets of large and medium-sized automotive body panel stamping moulds annually. At the same time, Qingling Moulds has introduced mainstream international high-end mould design and development software, enabling it to comprehensively carry out forward and reverse R&D design of moulds, thereby building an industry-leading mould development system. On the production and inspection front, Qingling Moulds is equipped with large-scale high-speed CNC equipment imported from Germany and Japan, as well as three-coordinate precision inspection facilities, establishing an integrated CNC automated manufacturing and inspection system that comprehensively ensures product precision and quality.

In the past two years, Qingling Moulds has adhered to a new development philosophy and continuously advanced the transformation of its development model, the optimisation of its product structure and the upgrading of its growth drivers, achieving notable results in operational quality enhancement and efficiency improvement. Aligning with the industry trend of automotive lightweighting, Qingling Moulds has focused on the R&D iteration of high-strength plate automotive component stamping moulds for vehicle bodies and frames. Adhering to the three leading development strategies of “Management, Technology and Quality”, it has continuously strengthened its core competitiveness, and its market recognition and customer influence have continued to grow. At present, Qingling Moulds has established long-term cooperative relationships with over 30 renowned domestic automotive enterprises, including Changan, Volvo, Geely and Great Wall Motors, while also successfully expanding into Southeast Asian markets such as Malaysia and Indonesia and overseas markets in Africa such as South Africa. With quality products and services, it has earned widespread trust from both domestic and international customers.

Qingling Moulds operates with overall stability and steady growth momentum. In 2025, Qingling Moulds achieved operating revenue of approximately RMB200,044,000 and net profit of approximately RMB16,939,000. From 2023 to 2025, Qingling Moulds’ operating revenue grew steadily, with gross profit margin remaining stable within the range of 13%–15% for the past three years, indicating balanced and manageable profitability.

Overall, having been deeply engaged in the mould manufacturing sector for many years, Qingling Moulds has a solid operational foundation, a quality asset structure, a low gearing ratio, ample cash and cash equivalents, and a sound cash flow position. It possesses strong operational resilience and risk resistance capability, along with stable profitability and a mature market support system. Upon completion of the Capital Reduction, the Group will hold a 100% equity interest in Qingling Moulds, fully enjoying the operating returns of Qingling Moulds, which can effectively optimise the Company’s financial structure, enhance its overall operating results, and empower the Company’s long-term and high-quality development.

For the above reasons, the Directors (excluding the independent non-executive Directors, who will provide their views upon receipt of the advice from the Independent Financial Adviser) consider that the terms of the Capital Reduction Agreement and the transaction contemplated thereunder are fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

## **FINANCIAL IMPACT OF THE CAPITAL REDUCTION**

Upon completion of the Capital Reduction, the Company's shareholding in Qingling Moulds will increase from approximately 50.6% to 100%, and Qingling Moulds will remain a subsidiary of the Company, with its financial results continuing to be consolidated into the consolidated financial statements of the Group.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, Qingling Group is the controlling shareholder of the Company holding approximately 50.10% of the total issued share capital of the Company. Therefore, Qingling Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Capital Reduction Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, and is subject to the announcement, the circular, the annual reporting and the requirements to obtain Independent Shareholders' approval set out in Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the transaction contemplated under the Capital Reduction Agreement exceeds 5% but all of them are less than 25%, the Capital Reduction Agreement and the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The EGM will be convened by the Company to seek the Independent Shareholders' approval for the Capital Reduction. All Shareholders (together with their associates) who have a material interest in the Capital Reduction shall abstain from voting at the EGM.

Qingling Group is the controlling shareholder of the Company, holding approximately 50.10% of the total issued share capital of the Company; it controls or is entitled to control the voting rights attached to those shares. Consequently, Qingling Group and its associates shall abstain from voting on the relevant resolution(s) to be proposed at the EGM.

The Independent Board Committee has been formed and will advise the Independent Shareholders as to, among others, whether the terms of the Capital Reduction Agreement and the transaction contemplated thereunder 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 relevant resolution(s) to be proposed at the EGM, having taken into account the recommendations of the Independent Financial Adviser.

Rainbow Capital (HK) Limited has been appointed by the Company as its Independent Financial Adviser and will give recommendations to the Independent Board Committee and the Independent Shareholders on, among others, whether the terms of the Capital Reduction Agreement and the transaction contemplated thereunder 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 relevant resolution(s) to be proposed at the EGM.

In accordance with the Listing Rules, the Company will despatch a circular to the Shareholders as soon as practicable containing, among other things, further details of the discloseable and connected transaction, a letter from the Independent Board Committee and a letter of advice from the Independent Financial Adviser, together with the notice of the EGM. As additional time is required to prepare and finalise the aforesaid information to be included in the circular, it is expected that the Company will despatch the circular on or before 15 November 2026.

**Shareholders and potential investors of the Company should note that completion is subject to a number of Conditions Precedent which may or may not be fulfilled. As the Capital Reduction may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

|                               |                                                                                                                                                                                                     |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                       | the board of Directors of the Company                                                                                                                                                               |
| “Capital Reduction”           | Qingling Group’s proposed capital reduction in respect of its approximately 49.4% equity interest in Qingling Moulds                                                                                |
| “Capital Reduction Agreement” | the capital reduction agreement entered into between the Company, Qingling Group and Qingling Moulds on 16 October 2026                                                                             |
| “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) |
| “Conditions Precedent”        | has the meaning under “Conditions Precedent” in this announcement                                                                                                                                   |

|                                 |                                                                                                                                                                                                                                                                                                                                       |
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| “connected person(s)”           | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                |
| “Consideration”                 | has the meaning under “Consideration” in this announcement                                                                                                                                                                                                                                                                            |
| “controlling shareholder”       | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                                                                                                |
| “Director(s)”                   | the 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, among other things, the ordinary resolution(s) to be proposed to approve the Capital Reduction                                                                                                                                                            |
| “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                                                                                                                                                                                                                                                                                |
| “Independent Board Committee”   | an independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. YANG Xinglong, Ms. HOU Qian, Mr. LIU Tianni and Ms. CHEN Yen Yung) established for the purpose of reviewing the Capital Reduction                                                                                           |
| “Independent Financial Adviser” | Rainbow Capital (HK) Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Capital Reduction |

|                            |                                                                                                                                                                                                              |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Independent Shareholders” | Shareholders other than the connected person(s) who is/are interested in the relevant transaction(s)                                                                                                         |
| “Independent Valuer”       | 江蘇天健華辰資產評估有限公司(Jiangsu Tianjian Huachen Asset Appraisal Co., Ltd.*)                                                                                                                                          |
| “Listing Rules”            | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                          |
| “percentage ratios”        | the percentage ratios under Rule 14.07 of the Listing Rules                                                                                                                                                  |
| “PRC”                      | the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                          |
| “Qingling Group”           | 慶鈴汽車(集團)有限公司(Qingling Motors (Group) Co. Ltd*), a state-owned company established in the PRC with limited liability and the controlling shareholder of the Company                                           |
| “Qingling Moulds”          | 重慶慶鈴模具有限公司(Chongqing Qingling Moulds Co. Ltd.*), a company established in the PRC with limited liability, which is owned as to approximately 50.6% and 49.4% by the Company and Qingling Group, respectively |
| “RMB”                      | Renminbi, the lawful currency of the PRC                                                                                                                                                                     |
| “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                                                                                                                                                                      |

|                            |                                                                                                                                                                 |
|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Valuation Benchmark Date” | the valuation benchmark date of the Valuation Report, being 30 June 2026                                                                                        |
| “Valuation Report”         | the valuation report issued by 江蘇天健華辰資產評估有限公司 (Jiangsu Tianjian Huachen Asset Appraisal Co., Ltd.*) regarding the total Shareholders’ equity of Qingling Moulds |
| “%”                        | per cent                                                                                                                                                        |

By order of the Board  
**QINGLING MOTORS CO LTD**  
**SONG Xiumin**  
*Executive Director and Company Secretary*

Chongqing, the PRC, 16 October 2026

*As at the date of this announcement, the Board comprises 11 Directors, of which Mr. LIU Zhongwei, Mr. KANI Takuji, Mr. KIJIMA Katsuya, Mr. NAGATA Tomoya, Mr. XU Dengke and Ms. SONG Xiumin are executive Directors, Ms. YAN Huarong is an employee Director, and Mr. YANG Xinglong, Ms. HOU Qian, Mr. LIU Tianni and Ms. CHEN Yen Yung are independent non-executive Directors.*

\* For identification purposes only