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五菱汽車集團控股有限公司 WULING MOTORS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability) (股份代號 Stock Code : 305)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of directors (the “Board”) of Wuling Motors Holdings Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the comparative figures of the corresponding period in 2024. The interim results are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants, whose independent review report will be included in the interim report to be dispatched to the shareholders of the Company and to be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.wuling.com.hk. The interim results have also been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025 — unaudited (Expressed in Renminbi Yuan (“RMB”))

		Six months ended 30 June	
		2025	2024
	NOTES	RMB'000	RMB'000
Revenue	3		
Goods and services		4,011,257	3,930,878
Rental		14,143	15,446
Total revenue		4,025,400	3,946,324
Cost of sales and services		(3,542,053)	(3,520,500)
Gross profit		483,347	425,824
Other income	5	99,297	136,879
Other gains and losses	4	6,770	(22,603)
Selling and distribution costs		(38,854)	(52,696)
General and administrative expenses		(177,610)	(212,483)
Research and development expenses		(184,154)	(129,117)
Impairment losses under expected credit loss model, net of reversals of impairment losses		(6,573)	(9,028)
Net gain on disposal of investment in an associate		—	6,690
Share of results of associates		(39,871)	(59,928)
Share of results of joint ventures		5,763	(1,283)
Finance costs	5(a)	(50,532)	(59,858)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)*For the six months ended 30 June 2025 — unaudited (Expressed in Renminbi Yuan (“RMB”))*

		Six months ended 30 June	
		2025	2024
	<i>NOTES</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation	5	97,583	22,397
Income tax expenses	6	(11,774)	(1,272)
Profit for the period		85,809	21,125
Attributable to:			
Owners of the Company		39,416	1,586
Non-controlling interests		46,393	19,539
Profit for the period		85,809	21,125
Profit per share	7		
— Basic		RMB1.20 cents	RMB0.05 cents
— Diluted		RMB1.20 cents	RMB0.05 cents

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025 — unaudited (Expressed in Renminbi Yuan (“RMB”))

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit for the period	85,809	21,125
Other comprehensive (expense) income for the period (after tax)		
<i>Item that will not be reclassified to profit or loss:</i>		
Revaluation surplus resulting from the change from property, plant and equipment and right-of-use assets to investment properties	3,513	7,337
Equity investments at fair value through other comprehensive income (“FVTOCI”) — net movement in fair value reserve (non-recycling)	(6,001)	—
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of operations outside Mainland China	(4,680)	(793)
Bills receivable at FVTOCI — net movement at fair value reserve (recycling)	1,050	11,071
Other comprehensive (expense) income for the period	(6,118)	17,615
Total comprehensive income for the period	79,691	38,740
Attributable to:		
Owners of the Company	33,861	12,003
Non-controlling interests	45,830	26,737
	79,691	38,740

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025 — unaudited (Expressed in RMB)

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000 (Audited)
	NOTES		
NON-CURRENT ASSETS			
Property, plant and equipment	8(c)	2,447,504	2,510,356
Right-of-use assets	8(b)	216,457	237,732
Intangible assets		130,183	120,953
Investment properties	8(a)	438,670	437,974
Interests in associates		661,462	701,333
Interests in joint ventures		93,649	106,736
Deposits paid for acquisition of property, plant and equipment		5,302	4,542
Equity instrument at FVTOCI		36,764	42,765
		<u>4,029,991</u>	<u>4,162,391</u>
CURRENT ASSETS			
Inventories		603,496	672,466
Trade and other receivables	9	2,347,314	2,386,222
Bills receivables and bills receivable at FVTOCI	10	2,271,952	2,933,385
Prepaid tax		—	965
Pledged bank deposits		636,042	453,143
Bank balances and cash		4,559,033	3,160,344
		<u>10,417,837</u>	<u>9,606,525</u>
CURRENT LIABILITIES			
Trade and other payables	11	5,081,387	4,995,328
Contract liabilities		81,079	97,255
Lease liabilities	8(b)	22,283	29,660
Provision for warranty	12	106,475	103,666
Tax payables		2,434	—
Bank borrowings	13	2,634,926	1,857,777
Advances drawn on bills receivable discounted with recourse	13	1,932,109	2,448,817
		<u>9,860,693</u>	<u>9,532,503</u>
NET CURRENT ASSETS		<u>557,144</u>	<u>74,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,587,135</u>	<u>4,236,413</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*Continued*)
At 30 June 2025 — unaudited (Expressed in RMB)

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i> (Audited)
	<i>NOTES</i>		
NON-CURRENT LIABILITIES			
Contract liabilities		4,339	5,074
Lease liabilities	<i>8(b)</i>	19,441	26,227
Bank borrowings	<i>13</i>	1,433,470	1,122,362
Deferred tax liabilities		44,643	41,700
		1,501,893	1,195,363
NET ASSETS		3,085,242	3,041,050
CAPITAL AND RESERVES			
Share capital	<i>14</i>	11,782	11,782
Reserves		1,980,244	1,961,611
Equity attributable to owners of the Company		1,992,026	1,973,393
Non-controlling interests		1,093,216	1,067,657
		3,085,242	3,041,050

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 26 August 2025.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity and going concern of the Group in light of the Group’s financial situation where current assets and current liabilities are basically balanced. The directors of the Company are of the opinion that, after due and careful enquiry taking into account the continuous financial support provided from Guangxi Automobile Holdings Limited (“Guangxi Automobile”), which is a state-controlled company established in the People’s Republic of China (“the PRC”) with the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會) and having a long standing reputation in the automobile industry in the PRC, and the financial resources available to the Group, including internally generated funds, the available banking facilities for issuance of bills payable and bank borrowings and assets available to pledge for obtaining further banking facilities, the Group has, in the absence of unforeseeable circumstances, sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Accordingly, the directors of the Company believe that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fail to continue as a going concern.

2. CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to HKAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the HKICPA to this condensed consolidated financial statements for the current accounting period. The amendments do not have a material impact on these condensed consolidated financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

(a) Disaggregation of revenue

		For the six months ended 30 June	
		2025	2024
	NOTES	RMB'000	RMB'000
Type of goods and services			
— Sales of engines and related parts and other power supply products	(i)	858,640	902,113
— Sales of automotive components and accessories	(ii)	2,490,680	2,331,161
— Sales of specialized vehicles	(iii)	312,918	330,671
— Others	(ii)	349,019	366,933
Revenue from contracts with customers within scope of HKFRS15		4,011,257	3,930,878
Revenue from gross rental income		14,143	15,446
Total		4,025,400	3,946,324
Timing of revenue recognition			
At point in time		3,999,684	3,877,326
Over time		25,716	68,998
Total		4,025,400	3,946,324
Geographical markets			
Mainland China		3,787,610	3,893,526
Others		237,790	52,798
Total		4,025,400	3,946,324

Notes:

- (i) These revenue has been classified as revenue under the vehicles' power supply systems segment in the segment information.
- (ii) These revenue has been classified as revenue under the automotive components and other industrial services segment in the segment information. Others include revenue from the trading of steels and utility supplies (water and power).
- (iii) These revenue has been classified as revenue under the commercial vehicles assembly segment in the segment information.

(b) Segment Information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organized. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 "*Operating Segments*" are as follows:

- Vehicles' power supply systems – Manufacture and sale of engines and engine related parts and other power supply products
- Automotive components and other industrial services – Manufacture and sale of automotive components and accessories, trading of steels, and provision of water and power supply services
- Commercial vehicles assembly – Manufacture and sale of specialized vehicles
- Others – Property investment and others

Segment revenues and results

The measure used for reporting segment profit or loss is "adjusted EBIT" i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as finance income/costs. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as bank interest income, net exchange gain/loss, net gain on disposal of investment in an associate, share of results of associates and joint ventures, finance costs and other head office or corporate administration costs.

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

	Vehicles' power supply systems <i>RMB'000</i>	Automotive components and other industrial services <i>RMB'000</i>	Commercial vehicles assembly <i>RMB'000</i>	Others <i>RMB'000</i>	Elimination <i>RMB'000</i>	Consolidated <i>RMB'000</i>
Six months ended 30 June 2025						
Revenue						
Revenue from external customers	858,640	2,839,699	312,918	14,143	–	4,025,400
Inter-segment revenue	<u>27,586</u>	<u>10,857</u>	<u>1,202</u>	<u>–</u>	<u>(39,645)</u>	<u>–</u>
Total	<u><u>886,226</u></u>	<u><u>2,850,556</u></u>	<u><u>314,120</u></u>	<u><u>14,143</u></u>	<u><u>(39,645)</u></u>	<u><u>4,025,400</u></u>
Segment profit (adjusted EBIT)	<u><u>6,609</u></u>	<u><u>77,874</u></u>	<u><u>27,970</u></u>	<u><u>16,558</u></u>		129,011
Bank interest income						60,378
Net exchange gain						3,685
Central administrative costs						(10,851)
Share of results of associates						(39,871)
Share of results of joint ventures						5,763
Finance costs						<u>(50,532)</u>
Profit before taxation						<u><u>97,583</u></u>

	Vehicles' power supply systems RMB'000	Automotive components and other industrial services RMB'000	Commercial vehicles assembly RMB'000	Others RMB'000	Elimination RMB'000	Consolidated RMB'000
Six months ended 30 June 2024						
Revenue						
Revenue from external customers	902,113	2,698,094	330,671	15,446	–	3,946,324
Inter-segment revenue	<u>20,920</u>	<u>46,388</u>	<u>11,292</u>	<u>–</u>	<u>(78,600)</u>	<u>–</u>
Total	<u>923,033</u>	<u>2,744,482</u>	<u>341,963</u>	<u>15,446</u>	<u>(78,600)</u>	<u>3,946,324</u>
Segment (loss) profit (adjusted EBIT)	<u>(17,112)</u>	<u>75,883</u>	<u>26,329</u>	<u>2,399</u>		87,499
Bank interest income						61,401
Net exchange loss						(104)
Central administrative costs						(12,020)
Net gain on disposal of investment in an associate						6,690
Share of results of associates						(59,928)
Share of results of joint ventures						(1,283)
Finance costs						<u>(59,858)</u>
Profit before taxation						<u>22,397</u>

(c) Seasonality of operation

The Group's three main reportable segments (as defined in note 3(a)(i), 3(a)(ii) and 3(a)(iii)) see higher demand for their products during the second half, which is consistent with the practice of the automobile industry. The aforementioned industry practice is primarily related to the exhibitions and promotion activities held during September and October which stimulates higher demand in the following months until Chinese New Year. As a result, the Group typically reports higher revenue and segment results for the second half of the year, than the first half.

For the twelve months ended 30 June 2025, the three main reportable segments of the Group reported revenue of RMB7,997,074,000 (twelve months ended 30 June 2024: RMB9,302,967,000), and segment profit of RMB225,188,000 (twelve months ended 30 June 2024: RMB196,811,000).

4. OTHER GAINS AND LOSSES

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Impairment loss on property, plant and equipment	–	(10,000)
Increase (decrease) in fair value of investment properties	2,415	(13,047)
Net exchange gain (loss)	3,685	(104)
Loss on disposal of property, plant and equipment	(248)	(961)
Others	918	1,509
	<u>6,770</u>	<u>(22,603)</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interests on:		
— Bank borrowings	37,590	32,257
— Advances drawn on bills receivable	12,413	27,426
— Lease liabilities	529	175
	<u>50,532</u>	<u>59,858</u>

(b) Staff costs

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, wages and other benefits	311,671	353,458
Contributions to defined contribution retirement plans	41,887	44,682
Equity-settled share-based payment credit	—	(9,276)
	<u>353,558</u>	<u>388,864</u>

(c) Other items

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation charge		
— owned property, plant and equipment	185,102	186,558
— right-of-use assets	12,296	21,323
Reversal of write- down of inventories, net	(17,265)	(5,714)
Cost of inventories*	3,544,707	3,475,894
Bank interest income	(60,378)	(61,401)
Government grants	(21,611)	(63,228)
	<u>(21,611)</u>	<u>(63,228)</u>

* Cost of inventories includes RMB287,157,000 (six months ended 30 June 2024: RMB281,346,000) relating to staff costs and depreciation expenses, which amount is also included in the respective total amounts disclosed separately above.

6. INCOME TAX EXPENSES

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Tax charge represents:		
Current tax	7,872	4,888
Withholding tax on dividend distribution	1,579	1,420
Over provision in prior years	–	(2,151)
	9,451	4,157
Deferred tax		
Origination and reversal of temporary differences	2,323	(2,885)
	11,774	1,272

Mainland China

In accordance with the relevant PRC corporate income tax (“CIT”) laws, implementation regulations and guidance notes, certain subsidiaries in Mainland China are entitled to tax concessions whereby the profits of the subsidiaries are taxed at a preferential income tax rate. Liuzhou Wuling Liuji Motors Company Limited, Wuling Liuji Foundry Company Limited and Hubei Zhuoda Automotive Components Co., Ltd. are approved as enterprises that satisfied as a High-New Technology Enterprises (“HNTE”) and entitled the preferential tax rate of 15% in 2024, 2025 and 2026. Liuzhou Zhuotong Motors Industrial Co., Ltd. (“Liuzhou Zhuotong”) and Chongqing Zhuotong Motors Industrial Co., Ltd. (“Chongqing Zhuotong”) were applicable to the tax concession of the Western Development in PRC and entitled the preferential tax rate of 15% in 2024. Taxation of the Group’s other subsidiaries in Mainland China are calculated using the applicable income tax rates of 25%.

The CIT Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

Hong Kong and Indonesia

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for taxation in Indonesia has been made as the subsidiaries in this jurisdiction does not have any assessable profit for both periods.

Others

Taxation for other overseas subsidiaries is calculated using the estimated annual effective rate of taxation that are expected to be applicable in the relevant countries.

Pillar Two Income Tax

The Organisation for Economic Cooperation and Development (“OECD”) published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws (“Pillar Two Tax Legislation”) to implement the Pillar Two model rules on a globally agreed common approach. The Group is within the scope of the OECD Pillar Two model rules as the Group’s consolidated annual revenue has exceeded EUR750 million.

Pillar Two Tax Legislation has enacted or substantially enacted in several tax jurisdictions in which the Company and its subsidiaries operate and has come into effect from 1 January 2025. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to HKAS 12. Under the Pillar Two Tax Legislation, if the constituent entities in one tax jurisdiction fail to satisfy any safe harbour rules and the Global Anti-Base Erosion (GloBE) effective tax rate is lower than the minimum rate of 15%, the Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per tax jurisdiction and the minimum rate of 15%.

Since the major operations of the Group are in Mainland China, based on the information currently available, the impact of these rules on the Group’s income tax position is not material.

7. PROFIT PER SHARE

(a) Basic profit per share

The calculation of basic profit per share is based on the profit attributable to equity shareholders of the Company of RMB39,416,000 (six months ended 30 June 2024: RMB1,586,000) and the weighted average number of 3,298,161,000 ordinary shares (six months ended 30 June 2024: 3,298,161,000 ordinary shares) in issue during the interim period.

(b) Diluted profit per share

There were no dilutive potential ordinary shares during each of the six months ended 30 June 2025 and 2024, and therefore, diluted profit per share is the same as the basic profit per share.

8. INVESTMENT PROPERTIES, RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

	NOTES	RMB'000
As at 1 January 2024		436,351
Transfer from property, plant and equipment and right-of-use assets, net		7,285
Increase in fair value recognized in other comprehensive income		9,520
Decrease in fair value recognized in profit or loss		(15,285)
Exchange adjustments		103
		<hr/>
At 31 December 2024 and 1 January 2025		437,974
Transfer to property, plant and equipment and right-of-use assets, net		(5,779)
Increase in fair value recognized in other comprehensive income		4,133
Increase in fair value recognized in profit or loss	4	2,415
Exchange adjustments		(73)
		<hr/>
At 30 June 2025		<u>438,670</u>

(b) Right-of-use assets and lease liabilities

During the current interim period, the Group entered into new lease agreements for the use of leasehold lands, office, production facilities and warehouse properties for 1 to 3 years. The Group is required to make fixed payments. The Group recognized additions to right-of-use assets of RMB12,259,000 and the corresponding lease liabilities of RMB12,259,000 during the current interim period. As at 30 June 2025, there were RMB18,846,000 in right-of-use assets leased from Guangxi Automobile Group (As at 31 December 2024: RMB48,578,000). As at 30 June 2025, there were RMB25,717,000 in lease liabilities arising from the lands and buildings leased from Guangxi Automobile Group (As at 31 December 2024: RMB49,331,000).

(c) Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of RMB133,727,000 (six months ended 30 June 2024: RMB80,527,000). Items of property, plant and equipment with a net book value of RMB16,061,000 were disposed of during the six months ended 30 June 2025 (six months ended 30 June 2024: RMB12,622,000), resulting in a loss on disposal of RMB248,000 (six months ended 30 June 2024: loss on disposal of RMB961,000).

9. TRADE AND OTHER RECEIVABLES

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	NOTES		
Trade receivables:			
— SAIC-GM-Wuling Automobile Co., Limited (“SGMW”)	(a)	1,049,607	838,324
— Guangxi Automobile Group (other than Liuzhou Wuling New Energy Motors Company Limited (“Wuling New Energy”))	(b)	17,486	12,461
— Guangxi Weixiang	(c)	3,279	4
— Wuling New Energy	(d)	64,366	70,109
— Faurecia (Liuzhou)Automobile Seating Co., Limited (“FL Seating”)	(d)	3,634	1,348
— Faurecia (Liuzhou)Automobile Interior Systems Co., Limited (“FL Interior”)	(d)	15,457	20,500
— Faurecia (Liuzhou) Emission Control Technologies Co., Limited (“FL Emission”)	(d)	6,090	11,053
— Third parties		959,514	1,200,161
		<u>2,119,433</u>	<u>2,153,960</u>
Less: Allowance for credit losses		<u>(108,502)</u>	<u>(96,185)</u>
Subtotal		<u>2,010,931</u>	<u>2,057,775</u>
Other receivables	(e)	<u>253,512</u>	<u>217,109</u>
Less: Allowance for credit losses		<u>(13,679)</u>	<u>(19,445)</u>
Subtotal		<u>239,833</u>	<u>197,664</u>
Prepayments		78,276	117,463
Value-added tax recoverable		<u>18,274</u>	<u>13,320</u>
Total trade and other receivables		<u><u>2,347,314</u></u>	<u><u>2,386,222</u></u>

Notes:

- (a) Guangxi Automobile has significant influence over SGMW.
- (b) Being Guangxi Automobile and its subsidiaries and associates other than the Group and SGMW (collectively referred to as the “Guangxi Automobile Group”).
- (c) Guangxi Weixiang is a joint venture of the Group.
- (d) Wuling New Energy, FL Seating, FL Interior and FL Emissions are associates of the Group.
- (e) Included in other receivables are amount due from Guangxi Automobile of RMB163,820,000 (31 December 2024: 123,160,000). The amount is the rebate compensation for purchasing automotive components (e.g. automotive battery) from Guangxi Automobile.

The Group allows credit period of 30 days to 180 days for sale of goods to its trade customers.

Included in trade and other receivables are trade receivables of RMB2,010,931,000 (31 December 2024: RMB2,057,775,000) and an ageing analysis of trade receivables (net of allowance for credit losses) presented, based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
0–90 days	1,915,111	1,981,923
91–180 days	81,458	55,677
181–365 days	11,912	10,577
Over 365 days	2,450	9,598
	<u>2,010,931</u>	<u>2,057,775</u>

10. BILLS RECEIVABLE AND BILLS RECEIVABLE AT FVTOCI

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Bills receivable at FVTOCI (<i>note a</i>):		
— SGMW	98,952	210,441
— Guangxi Automobile Group (other than Wuling New Energy)	16,204	7,533
— Wuling New Energy	17,904	18,684
— Guangxi Weixiang	—	1,986
— FL Interior	1,189	—
— FL Emissions	225	—
— Third parties	207,704	250,370
	342,178	489,014
Bills receivable (<i>note b</i>)		
— Bills receivable discounted with recourse	1,929,774	2,444,371
	2,271,952	2,933,385

Notes:

- (a) Bills receivable at FVTOCI represent bills received from customers to settle the trade receivables. The bills receivable at FVTOCI are mainly bank acceptance bills with a primary maturity period of less than 180 days. The ageing analysis based on the date of receipt of bills from customers is as follow:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
0–90 days	287,150	448,148
91–180 days	55,028	40,866
	342,178	489,014

- (b) The amounts represent bills receivable discounted to banks with recourse with a primary maturity period of less than 180 days. The Group recognizes the full amount of the discount proceeds as liabilities as set out in note 13.

The ageing analysis based on the date of receipt of bills from customers is presented as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
0–90 days	1,032,029	1,380,542
91–180 days	897,745	1,063,829
	<u>1,929,774</u>	<u>2,444,371</u>

11. TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
	<i>NOTES</i>	
Trade and bills payables:	(a)	
— SGMW	4,634	81,535
— Guangxi Automobile Group	22,214	42,938
— FL Seating	24,284	48,015
— FL Interior	47,755	45,718
— FL Emissions	26,724	24,201
— Other related parties	2,074	8,587
— Third parties	4,479,978	4,278,148
	<u>4,607,663</u>	4,529,142
Value added and other tax payables	3,610	14,612
Accrued research and development expenses	203,474	164,000
Accrued staff costs	57,187	89,379
Deposits received from suppliers	43,010	49,439
Other payables	166,443	148,756
	<u>5,081,387</u>	<u>4,995,328</u>
Total trade and other payables		

Note:

(a) An ageing analysis of trade and bills payable based on the invoice date is as follows:

Trade payables

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
0 to 90 days	1,713,559	2,171,127
91 to 180 days	247,254	32,211
181 to 365 days	30,345	121,851
Over 365 days	91,768	78,206
	<u>2,082,926</u>	<u>2,403,395</u>

Bills payable

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
0 to 90 days	1,053,553	911,002
91 to 180 days	1,471,184	1,214,745
	<u>2,524,737</u>	<u>2,125,747</u>

12. PROVISION FOR WARRANTY

	<i>RMB'000</i>
At 1 January 2024	105,481
Additional provision for the period	43,704
Utilization of provision	<u>(45,519)</u>
At 31 December 2024 and 1 January 2025	103,666
Additional provision for the period	15,333
Utilization of provision	<u>(12,524)</u>
At 30 June 2025	<u>106,475</u>

The Group provides warranty of certain periods to its customers on engines and engines related parts, automotive components and accessories and specialized vehicles, under which any product defects are repaired or replaced. The amount of the provision for the warranty is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

13. BANK BORROWINGS/ADVANCES DRAWN ON BILLS RECEIVABLE DISCOUNTED WITH RECOURSE

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Notes</i>		
Bank borrowings		<u>4,068,396</u>	<u>2,980,139</u>
Analysis of bank borrowings:			
Secured		654,479	165,564
Unsecured		<u>3,413,917</u>	<u>2,814,575</u>
		<u>4,068,396</u>	<u>2,980,139</u>
Less: Amounts due within 12 months shown under current liabilities		<u>(2,634,926)</u>	<u>(1,857,777)</u>
Amounts shown under non-current liabilities		<u>1,433,470</u>	<u>1,122,362</u>
Advances drawn on bills receivable discounted with recourse	(a)	<u>1,932,109</u>	<u>2,448,817</u>

Notes:

- (a) The amount represents the Group's bank borrowings secured by bills receivable discounted to banks with recourse of RMB1,932,109,000 (31 December 2024: RMB2,448,817,000).
- (b) The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	For the six months ended 30 June	
	2025	2024
Effective interest rate (per annum):		
Fixed-rate borrowings	0.6–3.00%	0.01–3.00%
Variable-rate borrowings	<u>0.6–3.35%</u>	<u>0.01–3.80%</u>

14. CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Shown in the condensed consolidated financial statements at the end of the reporting period (<i>note i</i>)	<u>11,782</u>	<u>11,782</u>

Note:

- (i) As at 30 June 2025, the number of shares of the Group is 3,298,161,000 (31 December 2024: 3,298,161,000).

(b) Dividends

The directors of the Company have determined that no dividend will be declared or paid in respect of the current interim period (six months ended 30 June 2024: Nil).

During the current interim period, a final dividend of HK\$0.5 cents per share (six months ended 30 June 2024: HK\$0.5 cents per share) in respect of the previous financial year was declared to the owners of the Company. The aggregate amount of the final dividend declared during the current interim period amounted to HK\$16,491,000 (equivalent to RMB15,228,000) (six months ended 30 June 2024: HK\$16,491,000 or equivalent to RMB15,051,000) and has been paid subsequent to the interim period.

MESSAGES FROM THE BOARD OF DIRECTORS

PREFACE

We hereby present the unaudited results of Wuling Motors Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) for the six months ended 30 June 2025.

Facing a difficult market environment characterized by intensifying market competition and economic downturn, the Group adhered to the business strategy of “Stabilising Growth, Enhancing Effectiveness and Exploring New Horizons”, and innovatively drove our long established core businesses with competitive edge to move toward to the middle and high end of the industrial and value chains, accompanied by the transformation and upgrading processes of digitalisation, intelligentisation and greenness, so as to conscientiously promoting our aim of high-quality development and rewarding to our shareholders.

The unfavourable economic environment prevailed during the period and the Group’s repositioning strategy of the commercial vehicles assembly division continued to adversely affect the business volume of the vehicles’ power supply systems and the commercial vehicles assembly divisions. However, a rebound in business from the major customer and growing business contributed by new customers benefited the automotive components and other industrial services division, allowing the Group in achieving a modest growth in total revenue amid the prevailing tough and keenly competitive business environment during the period. The Group’s total revenue for the six months ended 30 June 2025 was RMB4,025,400,000, representing an increase of 2% as compared to the corresponding period in 2024.

In line with the improvement in the business volume of the automotive components and other industrial services division and the effective cost control measures implemented, profitability performance continued to be improved. Gross profit for the period under review was RMB483,347,000, representing an increase of 13.5%. Hence, gross profit margin for the period also further improved to 12% from 10.8% as recorded in the corresponding period of last year.

Despite an increase in the loss attributable for the period from our associate, Wuling New Energy, due to its operation was still at the development phase, benefited from the positive factors of the continuous improvement of the business performance of the Group's core main business segments, in particular the automotive components and other industrial services division, and the steady business development as experienced by our other associates and joint ventures, the Group recorded a net profit of RMB85,809,000 for the first half of 2025, representing a significant increase of 306% over the corresponding period of last year. Meanwhile, profit attributable to the owners of the Company also improved significantly to RMB39,416,000 during the period under review.

I. MAJOR TASKS IN THE FIRST HALF OF 2025

(i) Concentrating efforts on core businesses to ensure the high-quality implementation of the “LINXYS Project”

1. The component and part business seized the opportune moment to embark on a new journey of advancement

For the component and part business, the Group adopted the core strategy of “stabilising existing business, capturing incremental growth, and expanding new openings”, actively addressing the challenges of intensified market competition and an exclusive supplier market. During the first half of the year, the segment secured a total of 125 designated projects from 46 customers. In terms of stabilising existing business, the Group undertook 103 new product projects to existing customers such as SGMW, Great Wall Motors, Beiqi Foton, and Chery, including front and rear axles and control arms, while ensuring efficient and quality-assured supply. In terms of capturing incremental growth, the Group successfully developed new markets with customers which covered the passenger vehicles of SAIC and others such as Zhengzhou Yutong and Weichai New Energy, and actively advanced potential cooperation with mid-to-high-end vehicle manufacturers. In terms of expanding new openings, leveraging the advantages of overseas bases, the Group secured projects for rear axles and battery box covers in markets such as Vietnam (for VINFAST), Indonesia, and Turkey. Besides, the Group also established a new manufacturing base in Rizhao, Shandong, enhancing our industrial influence and market competitiveness in eastern China. Supported by the newly established Shanghai Advanced Technology R&D Centre, the Group deepened our product layout of “upgrading traditional energy technology + integrated development of new energy components”.

In the first half of 2025, the component and part business achieved revenue of RMB2,839,699,000, representing a year-on-year increase of 5.2% as compared to the corresponding period in 2024.

2. *The commercial vehicles assembly business move towards new stage with steady progress*

The Group's commercial vehicles assembly business focused on building "four major categories" of specialised vehicles including civilian vehicle, government vehicle, off-road vehicle, and intelligent driving vehicle, with an emphasis on the development of marketing channel to achieve steady progress and notable performance in specific market segments. For the civilian vehicles sector, vending carts have achieved success in new retail, new business models, and emerging segments, while new energy refrigerated trucks also experienced rapid growth. For the government vehicle sector, the Group continued to deepen its presence in the fire truck markets of Guangxi and Yunnan, achieving a breakthrough with a sale of 63 units. The off-road vehicle segment delivered outstanding performance in both domestic and international markets, with domestic sales reaching 1,093 units, including an order for 160 golf carts from Shandong Nanshan International, the largest single domestic order in this category. Wuling sightseeing vehicles and golf carts were exported to numerous countries, with overseas sales reaching 552 units. For the intelligent driving sector, the Group actively explored new projects, accelerating market development while building its technology project pipeline, and secured a breakthrough in single batch order for over one hundred intelligent charging robots.

In the first half of 2025, the commercial vehicles assembly business achieved revenue of RMB312,918,000, representing a slight decrease compared to the corresponding period in 2024.

3. *The vehicles' power supply systems business segment forged a new path with surging momentum*

Driven by the dual strategy of “upgrading engine technology and integrating new energy application”, the vehicles' power supply systems business of the Group pushed forward with technological upgrades and reforms while strengthening the development of new energy markets and projects. It is committed to achieving the dual objectives of technological upgrades and market breakthroughs. The Group has continuously expanded its market share, with engine sales reaching approximately 77,000 units in the first half of the year, with sale revenue from casting parts production amounting to RMB257,138,000, representing a year-on-year increase of 24.5% compared to the corresponding period in 2024. Domestically, the Group has stabilized its market presence, with increased sales to new customers such as Beiqi Foton, SAIC Maxus, and JAC. Its dedicated promotion of the H15TD-DHT hybrid project and the H16B project has ensured the sustainable development of both traditional internal combustion engine and new energy powertrain markets. In the first half of the year, the Group achieved mass production and project designation in external markets such as Foton and KAMA. Furthermore, we also actively seized opportunities in customer export projects, closely tracking export projects for customers like Dongfeng KAMA and Beiqi Foton, striving to increase our installation volume. Internationally, we expanded our market reach by efficiently advancing the construction of production lines, including those for flat-wire stators. Our overseas efforts yielded strategic project designation in Vietnam and significant progress has also been achieved in other overseas countries.

4. *The new energy vehicle business gained momentum to strengthen foundations*

The Group has advanced its technological and product optimisation efforts to enhance its product matrix. Focusing on technological R&D and product innovation, the Group's associate, Wuling New Energy, has established a diverse vehicle system with various battery capacity specifications. In June, models such as the “Golden Cargo” mid-range battery vehicle and the “Golden Truck” extended-range large-battery hybrid 2.0 were launched, which are expected to increase the Group's participation in niche markets from 30% to 60%. Through relentless efforts, the Group developed the large-space versions of the Golden Cargo, the G230B and G230V, offering 15% more loading space than similar products, thereby seizing market opportunities with robust capabilities. In addition, the Group has also achieved remarkable results in market expansion, driving growth both domestically and internationally. By restructuring its marketing framework and implementing an innovative “theatre command”

management model, the Group actively expanded its partnerships with major clients. It has secured cooperation with leading enterprises such as Lalamove, SF Express, and Meituan, with business development underway with Didi and Chebajun. Overseas market expansion continued to gain momentum, with the cumulative number of overseas sales channels reaching 33, covering 39 countries and regions. Additionally, one new channel was established in the Peruvian market, and two partners for sample vehicle promotion were secured in Australia and the Philippines. In the first half of 2025, sales of new energy vehicles reached 8,640 units, representing a year-on-year increase of 9%.

(ii) Loss reduction and efficiency enhancement were achieved through refined control measures, while deepened reforms invigorated the vitality of high-quality development

1. Loss reduction efforts to achieve a “dual decline” in losses

In accordance with the three-year governance work plan for loss-making enterprises, the Group continued to refine its “Company-Specific Policy” to turn loss for profitability and reduce losses, intensifying governance efforts with a particular focus on subsidiaries reporting significant losses. For strategic emerging businesses, the Group has formulated targeted operational strategies and measures according to related planned objectives to enhance the quality and efficiency of business operations. The Group strives to achieve a year-on-year decline in both the number of loss-making subsidiaries and the amount of their losses within three years.

2. Implementing fine management to enhance corporate efficiency and effectiveness

In light of the market and customer environment, the Group will continue to refine specific work measures in 2025, focusing on market development, expense control, utilisation of policy dividends, refined financial management, and optimisation of labour costs. The first priority involves the sustained implementation of “cost reduction and efficiency enhancement” initiatives, with structural cost control targets to strictly control the growth of structural costs. The second measure entails rigorous control over labour costs by rigorously implementing a mechanism linking the total payroll to economic performance, coupled with the rational allocation of personnel to reduce labour costs. The third step is to continue the “Three Reductions” initiative by reviewing the asset portfolio, revitalising idle assets, and improving asset returns.

II. WORK PLAN AND MAJOR INITIATIVES FOR THE SECOND HALF OF 2025

(i) Accelerating the transformation and upgrading of the component and part business through continuous adjustment of product portfolio

Leveraging our competitive products such as vehicle frames, light and micro electric drives, and energy-saving hybrid systems, the Group will actively expand its supporting role for more new energy vehicle models to enhance the added value of product. We will vigorously develop the mid-to-high-end customer market among top 10 domestic brands such as Chery, Geely, BYD, and SAIC to increase our external market share. Furthermore, we will accelerate the application and industrialisation of new products/processes such as thermal gas forming, three-in-one electric drive axles, and magnesium-aluminium alloy die-casting.

(ii) Strengthening synergies in automotive services and sales to enhance brand competitiveness

The Group will leverage brand synergy as a breakthrough point to integrate service and sales resources, creating a synergistic advantage and building a unified brand image. The Group will also enhance the efficiency of capital turnover, intensify the application of new business models, optimize resource allocation, strengthen customer loyalty and brand influence, and drive sales growth.

(iii) Accelerating transformation and upgrading to drive core competitiveness in the vehicles' power supply systems business

The Group will concentrate its efforts on the research and development of high thermal efficiency engines and hybrid power supply systems, establishing a collaborative development mechanism aligned with vehicle projects to accelerate the industrialisation of technological achievements. Through precise market research and customer profiling analysis, we will actively explore external markets to identify high-potential customers, thereby creating a new growth driver for the vehicles' power supply systems business.

(iv) Seizing domestic and international market opportunities to expand the new energy vehicle business

The Group will continue to refine its product matrix and enhance marketing efforts, with sustained focus on the development of new energy vehicles by Wuling New Energy, an associate of the Group. Emphasis will be placed on promoting new

products such as the mid-range battery models such as “Golden Mini-truck”, “Golden Truck”, “Golden Cargo”, and double-cab mini-trucks to increase market share. While exploring high-potential overseas markets including Japan, South Korea, and Italy, accelerated efforts will also be made to launch cost-optimised G050 platform models and right-hand drive Golden Cargo model. Meanwhile, the Group is actively expanding strategic partnerships with major clients, having established cooperation with industry leaders such as Lalamove, DiDi, SF Express, and Meituan, aiming to build an efficient market-oriented operation mechanism that will inject new momentum into sales growth.

(v) Strictly implementing the “Company-Specific Policy” approach to further intensify loss governance

The Group will intensify governance efforts to achieve the task and target set by the State-owned Assets Supervision and Administration Commission of the autonomous regions, striving to achieve a year-on-year decline in both the number of loss-making subsidiaries and the amount of their losses by 2025. For strategic emerging enterprises in the new energy sector, we will implement both technological optimisation and commercial control measures to reduce production costs and procurement expenses, thereby enhancing cost efficiency. For enterprises unable to achieve turnaround through independent development, we will enforce strict cost controls and continue carrying out various liquidation initiatives.

(vi) Further promoting refined internal management to enhance asset efficiency

We will continue to advance the “Three Reductions” initiative and strengthen the control over inventories and receivables. The Group will also establish dedicated teams within each enterprise to specifically advance the clearance of non-performing inventories and overdue accounts receivable, as well as the revitalisation of idle assets.

Through conscientious plans and efforts, the management believes that the Group’s long-term business potential in the automobile supply chain industry will continue to be strengthened. With the continuous support from Guangxi Automobile, our ultimate controlling shareholder and joint venture partner, and our clients, we firmly believe that our business prospect is promising and will bring rewards to our shareholders in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review — By Main Business Segments

The business performance and evaluation of the Group's three main business segments namely (1) vehicles' power supply systems; (2) automotive components and other industrial services; and (3) commercial vehicles assembly for the first half of 2025 are detailed below:

Vehicles' Power Supply Systems

Total revenue (based on external sales) of the vehicles' power supply systems division for the six months ended 30 June 2025 was RMB858,640,000, representing a decrease of 4.8% as compared to the corresponding period in 2024. The keen competitive business environment coupled with the market shift from the fuel engine vehicle towards the new energy vehicle continued to adversely affect the business performance of this business segment.

Total number of vehicles' power supply systems, primarily engines, sold by the Group's subsidiaries, primarily Liuzhou Wuling Liuji Motors Company Limited ("Wuling Liuji"), for the first half of 2025 was approximately 77,000 units, representing a decrease of approximately 8.3% as compared to the corresponding period in 2024. During the period, the business volume continued to be mainly contributed by the models of engines products such as M20B, for the fuel engine vehicles and the casting products, whereas, products attributable to the new energy vehicles continued to grow steadily, but remained small, due to the conservative attitude of the customers to promote new models under this relatively tough market situation.

Meanwhile, casting products continued to moderately increase in volume. For the six months ended 30 June 2025, sales of casting products amounted to approximately RMB257,138,000, representing an increase of about 24.5% as compared to the corresponding period in 2024. The strong business performance from the sales of casting products helped to alleviate the negative market factors inflicted on this business segment.

Facing the prevailing tough and competitive operating environment, the division has been committed to implementing measures to control its operating costs and expenses. In the first half of 2025, despite a sluggish business volume and the continuous pricing pressure from the customers, the division was succeeded in turnaround from loss to profit and registered an operating profit of RMB6,609,000, which was improved as compared to the operating loss of RMB17,112,000 incurred in the corresponding period of 2024.

During the period, sales to SGMW, our core customer, amounted to approximately RMB426,588,000, representing an increase of approximately 10% as compared to the corresponding period in 2024. Amongst which, a significant portion of the revenue continued to be generated from the sales of the recently launched M20B high thermal efficiency engine, whereas, contribution from the new energy vehicle business of SGMW, which covered the hybrid power supply systems and the electric motor control system and related components, remained small.

On the other hand, sales to other customers, which comprised mainly sales of the engine sets, hybrid power supply systems and other power supply products to Foton Motors, Dongfeng Motor, Chang'an Automobile, JAC Motors and SAIC Maxus, etc, in aggregate experienced certain extent of decrease due to the unfavourable economic environment, and amounted to approximately RMB432,052,000 for the period, representing approximately 50% of the total revenue of this division. Sales generated from the engine sets to other customers remained weak because of the prevailing tough business environment. Despite this unfavourable situation, continuous launches of the matured and new products, including the new energy products, to other customers enable the division to tap into the incremental market demand in the industry which will benefit its business growth in future.

Facing the imminent shift of the automobile industry in China focusing on new energy vehicles, the division has formulated strategy in positioning itself as a multi-dimensional vehicles' power supply system supplier, which has completed a product layout of "traditional power technology upgrade + new energy power integrated development". This strategy is also closely aligned with the implementation of the "LINXYS Project" as formulated by Guangxi Automobile Holdings Limited ("Guangxi Automobile"), our parent company, for the future development of the entire Group. On one hand, the division will continue to develop high efficiency and low emission engines to the traditional fuel engine vehicles' manufacturer. Meanwhile, it would also promote its products, including engines, electric motor control system and related components for the electric vehicles, as well as different types of hybrid model vehicles. According to the "131 Strategy" as implemented under the LINXYS Project, our goal is to become a leading enterprise of small and medium emission energy-saving hybrid powertrain systems at the national level.

Considering the dynamic business environment and the strengthening of the competitiveness in the market, over the past few years, in implementing the technical upgrading and production capacity expansion programmes, special emphasis has been placed by the division on the scalability of the production facilities such that the production and economic efficiency could be maintained in serving the market demands from different types of customers notwithstanding their different range of models and size of orders.

To further expand the product range and to achieve higher technical capability, Wuling Liuji has actively undertaken development projects for the production of the upgraded high efficiency and low emission engine products in serving the different needs of the customers, especially targeting at the passenger vehicles as well as the new energy vehicles segment. In addition to the upgrading projects which are implemented for the regulatory compliance policies, enhancement projects for the existing models and the new models are also formulated aiming at expanding our customer bases in the commercial and passenger vehicles segment.

The successful completion of the new generation of H-series ultra-high-efficiency engines, methanol engines and hydrogen internal combustion engines, which facilitated a solid development of the Group's alcohol hydrogen oil-gas multi-fuel engine platform, was recognized as the first of its kind in China and represented a step forward of the Group in realizing the goal of "Double Carbon". This strategic development essentially enabled the division to have a competitive edge in the industry for future business development.

Following the scale operation of the newly-developed high thermal efficiency Atkinson engines of the division since 2023, the market position of Wuling Liuji has been further strengthened by having a comprehensive range of products ranging from 1.0L to 2.0L with the essential vertical integration elements, i.e., the in-house manufacturing of the foundry components.

In terms of products, the recently launched M20B high thermal efficiency engine developed by Wuling Liuji has become the main stream products of the division in applying on a number of vehicle models of the customers. The division is confident this business momentum from the M20B will continue in the coming years and will contribute to the business performance of the division.

Meanwhile, the high-efficiency and cost effective HEV hybrid assembly units developed by Wuling Liuji has continued to contribute the business of the division through gradually gaining orders from other customers. The launch of the HEV hybrid assembly units marked the successful breakthrough of the division from a traditional fuel engine manufacturer to a multi-dimensional vehicles' power system supplier extending to the business segment of different types of new energy vehicle. Through the construction of the core development capabilities of the two electric motors (motors and motor controllers), the division has laid out a comprehensive plan for power integration products which covers the platform of HEV, PHEV, REEV, and BEV technical routes, from which advanced, efficient, and fuel-efficient hybrid drive system products would be developed in accordance with the needs of the automobile manufacturers. As compared with traditional fuel engine vehicles with same level of capacity, based on initial study, fuel consumption of the division's HEV hybrid solution could have a saving of more than 30%.

The market launch of the division's HEV hybrid solution has also enabled the Group to be recognized as the first supplier in the Guangxi region having the hybrid power integration capabilities empowered by its three main components' production and technical capability, i.e., engine, electric motor, and motor controller system. Indeed, the division inaugurated the launch of its HEV hybrid solution with an encouraging reception from the market.

The engine intelligent manufacturing plant has also passed the national new generation of information technology and manufacturing industry integration development pilot demonstration certification, in which only three operators were required in the cylinder block cylinder head workshop, where its processing accuracy and the degree of intelligence are remarkable.

Driven by the business opportunities from the development trend of the "New Four Modernization" in the automotive industry, coupled with the long standing business position in the vehicle's engines segment, the Group is confident that the profitability of the vehicles' power supply systems division would continue to be improved in the future.

Going forward, the division will continue to focus on the research and development, as well as the marketing programmes of its existing and new products, including the products applicable for the new energy vehicles, so as to maintain its competitiveness in this market segment. The Group believes adhering to the objectives as set out in the "131 Strategy" under the LINXYS Project, the increasing applications of the successfully launched higher-end models to the vehicles (including new energy vehicles) of SGW, Wuling New Energy and other customers, and the introduction of other new higher-end products will enhance the business potential and the technical capability of the division, which will contribute to its profitability performance in the coming years.

Automotive Components and Other Industrial Services

Total revenue (based on external sales) of the automotive components and other industrial services division for the six months ended 30 June 2025 was RMB2,839,699,000, representing a moderate increase of 5.2% as compared to the corresponding period in 2024. A rebound of the business from the major customer together with the growing businesses contributed from the new customers helped to promote a moderate growth in total revenue, despite the prevailing tough and keen competitive business environment during the period.

Despite an increase in the research and development expenses incurred for the new business projects, benefited from an increase in the business volume and positive impact from an improvement in the mix of products and customers and the implementation of cost reduction measures, the division registered an operating profit of RMB77,874,000 for the period, representing an increase of approximately 2.6% as compared to the results recorded in the corresponding period in 2024.

The automotive components and other industrial services division, undertaken by our subsidiary, Liuzhou Wuling Motors Industrial Company Limited (“Wuling Industrial”), continued to be the key supplier for supplying a majority portion of the key automotive components to SGMW, including their EV models. During the period, benefited from the launches of several new models, sales to SGMW through the Group companies, comprised the range of products including body parts, chassis parts, electronic and electrical parts, seat sets, cockpits, bumpers and other interior and exterior trims, experienced a rebound and amounted to RMB1,606,971,000, representing an increase of 8.1% as compared to the amount of RMB1,486,464,000 as recorded in the corresponding period in 2024.

For further expansion and diversification, the division continued to undertake various business expansion programmes in promoting its components to other customers such as Great Wall Motors, Chery Automobile, Beiqi Foton Motors, Geely Automobile, Changan Automobile, Seres, BYD, etc, as well as Vinfast in Vietnam, which were progressing satisfactorily during the period and overall were able to register a continuous increase. During the period under review, sales to expanding customers increased to RMB1,159,301,000 and accounted for approximately 40.8% of the total revenue of the division. Amongst which, increase in sales from overseas market has been particularly impressive.

To further extending its products and services to other customers, the Group has also recently set up production facilities in Jingmen, Hubei province. The production facilities in Jingmen which was primarily set up for supplying automotive components to Great Wall Motors, which business has been progressing satisfactorily, of which more than 50% of the business volume in the period were supplied for the new energy models, which is expected to have promising business potential. During the period, a new production base in Rizhao, Shandong was also established in enhancing our industrial influence and market competitiveness in eastern China.

Meanwhile, sales to Wuling New Energy, an associate of the Group which engages in the manufacturing of new energy vehicles business, also gradually increased to RMB73,427,000 for the first half of 2025, with products covering various automotive components for the production of the electric logistic vehicles, and would serve as a new driver for the business growth of the division.

With our long and established industry experiences, the automotive components and other industrial services division of the Group has accumulated the comparative advantage of a leading mechanical automotive manufacturer in Guangxi and even the entire southwest China. Our capability in supplying a wide range of products provides a one-stop shop services to the customers, whereas, the scalability of its production facilities ensures the particular needs of our customers can be properly taken care of. At the same time, the division has continued to develop in the direction of lightweight, integration, intelligent, and high-end, and actively explored the market, and has achieved stage-by-stage results.

With respect to products, through continuous efforts of market diversification, the division actively made unremitting efforts in optimizing our product and customer structure, firmly grasped the opportunities from the trend of automobile transformation to the new energy era, and put utmost effort on the added value of products to open up the market of high-end car models and new energy car models. The market responses from these diversification projects were all encouraging.

In terms of car axles, the division has further consolidated and enhanced its all-round advantages covering the traditional fuel as well as the electric drive performance axles. Sale and production of micro-electric car axles have reached 2 million units on a cumulative basis since its launch, and have applied in SAIC-GM-Wuling's star product including Wuling Hongguang Mini, etc. The coaxial electric drive axle has been applied in the models Changan, Geely, JAC and other automakers, and became the first to achieve commercialization in China. In essence, the T-type electric drive axle has the advantages of power, space and lightness, and can effectively solve the power and load pain points of light trucks in the process of transformation to new energy. At the same time, the division has also built integrated products such as three-in-one electric drive axles with its supply chain advantages, providing vehicles with efficient, compact and cost-effective solutions.

In terms of car frames, recognised as "Champion of Guangxi Manufacturing" in the particular business segment, the lightweight integration products, such as non-bearing frames as developed by Wuling Industrial independently and equipped with breakthrough process and excellent performance redefining the standard of frame technology, is now widely used in the fields of SUV, pickup truck, commercial vehicles, special purpose vehicles and new energy vehicles.

In terms of thermal inflation molding products, the division took the lead in developing thermal inflation molding equipment for ultra-high-strength pipes with independent intellectual property rights in 2020, and established the first thermal inflation molding production line together with the related equipment application demonstration centre in China, which had successfully reduced the thickness of high-strength steel pipe fittings to 1.2 mm, achieving a weight reduction of more than 30% and a material utilization rate of over 90%. Thermal inflation technology is now widely used in the fields of new energy vehicles and passenger vehicles, covering key components such as A-pillars, B-pillars, top beams, and door anti-collision beams, with product strength reaching 1300–2000MPa. In 2024, the division has expanded the second production line and continued to accept orders for mid-to-high-end models from prominent automakers such as Great Wall and BYD. During the period under review, the division has continued to deepen its connection with a number of mainstream passenger vehicle OEM customers in further promoting orders of more high-quality market products serving by the new production technology.

With respect to product development, while the drum EPB has been nationalized and has achieved the break through stage to mass production. EMB product development is also progressing steadily. In this context, the first successful trial production of the magnesium alloy semi-solid die-cast CCB (instrument panel crossbeam bracket) product has been completed, kick starting the innovative integration of “Materials — Product Structure and Performance — Molding Process and Mold Structure”.

Meanwhile, the division has also actively carried out enhancement programmes for core component capacity improvement, with the ability to develop the whole process of fully independent spiral bevel gears, allowed the division to be recognised as a first tier standard in the country and has begun to supply the spiral bevel gear products for BYD Fudi Powertrain. The Group’s manufacturing quality has reached the higher standards of the international automobile enterprises, while at the same time enjoying an advantage from the cost perspective.

Over the past few years, the Group has taken strategic steps in the PRC to transform from a single production point operation in Liuzhou into an interprovincial production group with facilities in Guangxi, Shandong, Chongqing and Hubei in accomplishing a synchronized expansion and improvement in terms of corporate size and core competitiveness, meanwhile establishing a sound foundation for the Group’s business growth and sustainable development in the future, at the back of the division’s current consolidated annual production capacity of more than 2 million units of automotive components.

Meanwhile, driven by the increasing orders from the customers, the Group's overseas production plant in Indonesia experienced an increase in sale revenue for the period under review. Being the first overseas production base, the Group is optimistic that being the fourth largest population country in the world and in consideration of its recent economic development, there is great business potential for the automobile industry in Indonesia and considers that the business performance of the Group's automotive components businesses in Indonesia will be gradually improved in future.

The production plant of the Group in India, which has a smaller scale of operation and targeted for the automotive component business of a renowned PRC car manufacturer continued to maintain its profitability in the first half of 2025.

Looking ahead, in line with the implementation of the "131 Strategy" under the LINXYS Project, the division will aim to become leading enterprise of light-miniature drive axles and automobile frames at national level, through actively supporting the transformation of medium- and high-end vehicles and new energy vehicles, meanwhile, continue to optimize the customer structure, comprehensively consider the early deployment of the entire life cycle of the target customer products from the whole series of car models, pay close attention to technological research and development, improve product quality, and actively open up markets, to ensure the transformation and upgrading in business product so as to achieving a sustainable and healthy development.

Commercial Vehicles Assembly

Total revenue (based on external sales) of the commercial vehicles assembly division undertaken by Wuling Industrial for the six months ended 30 June 2025 was RMB312,918,000, representing a decrease of approximately 5.4% as compared to the corresponding period in 2024.

During the period, business volume of the commercial vehicles assembly division has been adversely affected by the general unfavourable economic environment at which the market demand was severely weak. Apart from this, completion of the restructure exercise of the business of the Group's new energy vehicles in late 2022, where the assembly business of the Group's new energy vehicles were transferred to the Group's associate, Wuling New Energy, and the Group's repositioning strategy on the refitted vehicles since the second half of 2023, where the Group began to focus more on the modification services had also resulted in a direct reduction of the related revenue of the division.

In the first half of 2025, Wuling Industrial sold approximately 3,870 different models of vehicles, representing an increase of 6% as compared to the sale volume in the corresponding period of 2024. Amongst which, the sale volume of refitted vehicles and other types of vehicles (primarily sight seeing vehicles) were approximately 2,170 vehicles and 1,700 vehicles respectively. Despite the weak market demand resulting from the general unfavourable economic environment during the period, the division managed to maintain a steady business volume on the back of the continuous launches of various new models by the division.

Benefited from a steady business volume and the positive impact from lower cost of raw materials and a substantial reduction in the division's expenditure resulting the effective implementation of certain restructure exercise and cost control measures, coupled with the recognition of compensation rebated for purchase of electric vehicles spare parts, the division was managed to deliver a set of profitable results for the period, from which an operating profit of RMB27,970,000 was recorded for the six months ended 30 June 2025, representing a moderate increase of approximately 6.2% as compared to the corresponding period in 2024.

The commercial vehicles assembly division operates comprehensive car assembly lines which cover the production processes of welding, painting and assembly. The division has capability to produce various types of specially designed vehicles which serves the different needs of market, such as sightseeing bus, golf cart, container wagon, refrigerator vehicle, police car, fire truck and electric logistic vehicle, etc. The customers range from government departments, public institutes, private enterprises with different size of operation to private individuals. Products are mainly sold in the domestic market covering the major provinces and cities across the country and the overseas markets.

The capability of the commercial vehicles assembly division is originated from the long standing industry experiences of Wuling, where a strong comprehensive capability of “multi-mix, small batch and specialization” has been established. In fact, the models designed and developed by the Group are mainly branded as “Wuling”, which is a benchmark of quality products and services in the market in itself. Over the years, the Group had unremittingly developed new models of vehicles for commercial use with improved quality and added features in response to market demands and enhanced regulatory standards, such as the hot-selling side-open container wagon (stall car), electric logistic vehicle and the refrigerated truck. The Group is confident that the launches of these new models will be beneficial to the business performance of the division. Currently, production facilities of the commercial vehicles assembly division of the Group are situated in Liuzhou, Qingdao and Chongqing.

Meanwhile, the division also engages in the business of supplying low-speed intelligent driving products. With the accumulation of technological expertise, the Group has independently developed core chassis components such as front and rear axles, EPB, and EHB, as well as an automotive-grade, by-wire chassis and the Lingyu Intelligent Driving System (菱御智駕系統) as self-developed by the Group. Based on this self-developed platform, the Group has started to launch a wide range of products such as intelligent charging robots, driverless patrol vehicles, driverless sightseeing/shuttle buses (Wuling Space Capsule, driverless sightseeing bus), smart follow-up golf carts, and driverless teaching vehicles, providing diversified solutions for unmanned charging, unmanned sightseeing shuttles, and unmanned logistics in serving different needs of the market.

Automotive standard wire control chassis is the core foundation of the Group's low-speed intelligent driving business, where the Group has mastered the core technologies and control systems for this system, and has achieved modularization with open common protocols. This facilitates a speedy process for the development of secondary products and vehicle, enabling the integration of multiple functional components through a "platform + ecosystem" business model. Currently, the core wire control chassis platform has been integrated with over 20 ecosystem partners, with a product catalogue of over ten vehicle models, including charging robots and patrol vehicles. This essentially will serve as an important cornerstone for the Group's strategy in gradually building an intelligent driving industry ecosystem encompassing the aspects of "Linear chassis", "Vehicle Products" and "Scenario-based Operations".

Indeed, prior to the below mentioned restructure exercise, the division had made significant breakthroughs in the new energy vehicle market segment. Furthermore, it had also gradually built up a nationwide distribution network across the country. More remarkably, the division had also extended its products to overseas markets such as the United States, which are renowned as the leaders in the global automobile industry. Sale volume of these orders, where the division continued to act as a sale agent, are expected to be gradually increased in coming years. These solid business platforms and experiences in the new energy vehicles segment essentially paved the way for the restructure exercise of the business of the Group's new energy vehicles as below mentioned.

As mentioned previously, in order to accelerate the expansion of the Group's new energy vehicle business in meeting the increasing business opportunities arisen from the new energy vehicle market segment, the Group, including Company and Wuling Industrial formed an associate with Guangxi Automobile and established Wuling New Energy which started operational in 2022 for pursuing the businesses focusing on the research and development, manufacture and sale of new energy vehicles, including the highly competitive electric vehicles, plug-in hybrid new energy vehicles and other new energy smart travel products. The setup of Wuling New Energy enables the Group, including the Company and Wuling Industrial

and Guangxi Automobile, to have an advance and sizable production facilities for implementing the business strategies and programmes arising from the new energy vehicles segment, and at the same time benefits the operation of Wuling Industrial and its subsidiaries by having Wuling New Energy being served as a core technical partner and a core customer with expanding business volume in the new energy vehicles segment.

The Group further believes that operation of Wuling New Energy will not only provide a solid foundation of the Group for implementing future business projects in the new energy vehicles segment, but also provide Wuling Industrial with the opportunity to further streamline its existing operation in the commercial vehicles assembly division which will be conducive to business performance of the division in future.

For the period under review, Wuling New Energy operated as an associate of the Group and the Group's principal business entity in the new energy vehicles business, of which its business performance for the six months ended 30 June 2025 is described in the section "Performance of Joint Ventures and Associates" below.

The Group would strive to maintain a prominent market share of our existing popular models, and at the same time, explore the opportunity for future growth potential to further improving the profitability of the commercial vehicles assembly division, through implementation of active business strategies in promoting new models, including different models of non-road vehicles and other special purpose vehicles, focusing on market segmentation and specialization, enhancing the ability of professional customization of unique products, developing high-value products, intensifying market development efforts, and solidly increasing sales volume, on the back of the favourable government policy and the specific needs in the market. The Group considers vertical integration of the key automotive components in its commercial vehicles assembly business will provide a solid back up and enhance our competitive strength in the industry. Indeed, the launches of various upgraded models of non-road vehicles, such as sight-seeing buses and golf carts had all received satisfactory reception from the overseas markets which have tremendous business potential.

Going forward, the commercial vehicles assembly division will continue to undertake research and development projects for new product, technical and capability improvement with the support from the other divisions, namely the vehicles' power supply systems division and the automotive components and other industrial services division, as well as Wuling New Energy. Whilst the Group envisages the challenges facing this division, it remains confident in the long term business potential of this business segment in view of our long standing competitive strength in the industry.

Performance of Joint Ventures and Associates

Wuling New Energy

Wuling New Energy which was owned as to 13.36% by the Company and 12.34% by Wuling Industrial as at 30 June 2025 and was formed with Guangxi Automobile for pursuing the new energy vehicles business, including the highly competitive electric vehicles, plug-in hybrid new energy vehicles and other new energy smart travel as the development goal.

During the period under review, Wuling New Energy achieved total revenue of RMB565,487,000. As it was still operating at the initial stage where significant research and development expenses were incurred and the break even business volume level was yet to be achieved, net operating loss of RMB211,348,000 was incurred for the period. Out of the operating loss incurred, an amount of RMB54,316,000 was attributable to the Group, which was slightly increased as compared to corresponding period in previous year.

The business performance of Wuling New Energy was nevertheless continued to be affected by the intense competition in the PRC market which had driven down the selling prices of the electric vehicles, as well as other prevailing negative factors such as those caused by the domestic insurance policies, the uncertainties associated from the import regulations of the target overseas markets, etc, during the period. In response to this unfavourable market environment, Wuling New Energy maintained its cautious attitude in implementing aggressive business plan. Under this tough business environment, Wuling New Energy was managed to sell approximately 8,640 new energy vehicles during the period, representing a moderate increase of 9.4% as compared to the corresponding period in 2024. The increase in sale volume was mainly attributable to the new models launched in the domestic market since the second half of 2024 including the new energy medium duty container truck “LINXYS Golden Van” series and the new energy small truck “LINXYS Golden Small Truck” series.

Since its operation in 2023, Wuling New Energy has developed and launched a number of new energy vehicles covered particularly the commercial new energy vehicle segment, which had received satisfactory market feedbacks. On the basis of these original series of models, a number of new models under the brand of “LINXYS” have been scheduled for market launch in 2025. Amongst which, the Pure Electric Golden Truck has started promotion in the market in the first half of 2025. In the second half of the year, Wuling New Energy will further launch a variety of models with different power consumption and power types, which will strongly support the annual sales volume.

Meanwhile, Wuling New Energy is also continuously expanding into overseas markets. For the period under review, main products originated from the 050 platform, which included primarily pure electric small trucks for the overseas market continued to experience a steady growth. On the basis of maintaining the existing overseas markets, i.e. Japan, the United States, South Korea and Europe, Wuling New Energy will further develop markets in Southeast Asia and South America to promote business growth.

Looking ahead, under the guidance of the “131 Strategy” under the LINXYS Project, Wuling New Energy will proceed to further expand the product map of “LINXYS Vehicles”. Through responding quickly to the needs of sub-markets, and continuously supplying quality passenger and cargo solutions to the domestic and overseas markets, Wuling New Energy is confident to build up the “LINXYS” brand of new energy vehicles to become a market leading enterprise of light and mini new energy commercial vehicles.

Other Material Joint Ventures and Associates

Guangxi Weixiang Machinery Company Limited (“Guangxi Weixiang”), which is owned as to 50% by Wuling Industrial and formed with Guangxi Liugong Machinery Company Limited for developing and pursuing the businesses of engineering machinery and other industrial vehicles products maintained its profitability during the period by registering a total revenue of RMB391,428,000 for the first half of 2025, representing an increase of 42% as compared to the corresponding period in 2024. Under a relatively stable business environment, net operating profit for the period increased by 60% to RMB7,606,000 (as compared to the net operating profit of RMB4,748,000 as achieved in the corresponding period in 2024), in which profit of RMB3,803,000 was attributable to the Group.

Faurecia (Liuzhou) Automobile Seating Co., Limited (“FL Seating”) which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of car seat products in the PRC maintained its business momentum in the first half of 2025. During the period under review, benefited from the continuous launches of new models by the customers, FL Seating registered total revenue of RMB265,835,000, representing an increase of 44% as compared to the corresponding period in 2024. Due to the severe competitive environment which caused the gross profit margin at a relatively low level, FL Seating recorded net operating loss of RMB7,356,000 for the period under review as compared to the net operating loss of RMB30,406,000 incurred in the corresponding period in 2024, which was mainly affected by a fire accident which caused certain stoppages in the operation of FL Seating and the incurring of certain impairment losses. Out of the operating loss incurred, an amount of RMB3,678,000 was attributable to the Group for the period.

Faurecia (Liuzhou) Automobile Interior System Co., Limited (“FL Interior”), which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of automotive interior system, its related parts and accessories, including cockpit, instrument panel, auxiliary instrument panel, door trim panel, acoustics and soft trim in the PRC maintained its business momentum and profitability in the first half of 2025. During the period under review, benefited from the continuous launches of new models by the customers, FL Interior registered total revenue of RMB191,860,000, representing an increase of 30% as compared to the corresponding period in 2024. Meanwhile, net operating profit further improved to RMB21,509,000, (as compared to the net operating profit of RMB15,848,000 as achieved in the corresponding period in 2024), in which profit of RMB10,755,000 was attributable to the Group.

Faurecia (Liuzhou) Emission Control Technologies Co., Limited (“FL Emission”), which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of automotive emissions control system products and related parts and components in the PRC continued to face a tough business environment in the first half of 2025. During the period under review, on the back of a stable business volume as registered by FL Emission, where total revenue was maintained at RMB137,016,000, due to an improvement in the gross profit margin, FL Emission registered net operating profit of RMB2,406,000, which was impressively improved as compared to the net operating loss of RMB5,880,000 as incurred in the corresponding period in 2024. Out of the operating profit achieved, an amount of RMB1,203,000 was attributable to the Group for the period.

Financial Review

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group’s total revenue for the six months ended 30 June 2025 was RMB4,025,400,000, representing a slight increase of 2% as compared to the corresponding period in 2024. Despite the corresponding unfavourable economic environment during the period and the Group’s repositioning strategy of the commercial vehicle assembly division continued to adversely affected the business volume of the vehicles’ power supply system division and commercial vehicle assembly division, a rebound of the business from the major customer together with the growing businesses contributed from the new customers benefited the automotive components and other industrial services division under the prevailing tough and keen competitive business environment, and enabled the Group to record a modest growth in total revenue during the period.

In line with the improvement in the business volume of the automotive components and other industrial services division and the effective cost control measures implemented, Group's profitability performance continued to be improved for the six months ended 30 June 2025. Gross profit for the period under review was RMB483,347,000, representing an increase of 13.5% compared to the corresponding period in 2024. In this regard, gross profit margin achieved by the Group further improved to 12% for the period as compared to the 10.8% as recorded for the corresponding period in 2024.

Meanwhile, despite the increasing share of loss from Wuling New Energy which amounted to RMB54,316,000 for the period due to its development stage of operation, benefited from the continuous improvement of the business performance of the Group's core main business segments, in particular the automotive components and other industrial services division and the decreases in the share of losses from the associates (other than Wuling New Energy), for the first half of 2025, the Group reported a net profit of RMB85,809,000, representing a significant increase of 306% as compared to the corresponding period in 2024, whereas, the Group also reported profit attributable to the owners of the Company of RMB39,416,000, which was also significantly improved as compared to the corresponding period in 2024.

Accordingly, basic profit per share for the six months ended 30 June 2025 was RMB1.2 cents, which was significantly improved as compared to the results recorded in the corresponding period in 2024.

Other income comprised primarily bank interest income, government grants and subsidies, sales of scrap materials and parts and other sundry income was in aggregate RMB99,297,000 for the six months ended 30 June 2025, representing a decrease of 27.5% as compared to the corresponding period in 2024, which was mainly due to a decrease in government grants income.

Other gains and losses amounted to a net aggregate gain of RMB6,770,000 for the six months ended 30 June 2025, which comprised primarily the combined results of an increase in fair value of investment properties amounting to RMB2,415,000, and net exchange gain amounting to RMB3,685,000.

Share of results of associates reported a total net loss of RMB39,871,000 for the six months ended 30 June 2025 representing primarily the net operating losses attributable to Wuling New Energy and FL Seating among which Wuling New Energy, which operated at the initial business and development stage, accounted for the majority portion. Apart from this, the loss making results were also due to the general unfavourable economic environment during the first half of 2025. Meanwhile, FL Interior continued to deliver a set of profitable results for the period due to an increase in the business volume and FL Emission was also managed to turnaround into profitable for the period resulting from an improvement in gross profit margin.

Share of results of joint ventures reported an aggregate net profit of RMB5,763,000 for the six months ended 30 June 2025, which were mainly attributable to the net operating profit contributed from Guangxi Weixiang, which business continued to be solid and was able to remain profitable during the period.

Selling and distribution costs of the Group comprised primarily other marketing expenses were in aggregate RMB38,854,000 for the six months ended 30 June 2025, representing a decrease of 26.3% as compared to the corresponding period in 2024 which was mainly attributable to the reclassification of warranty expenses to cost of sales during the first half of 2025.

General and administrative expenses of the Group comprised primarily salary and allowances, various insurance expenses, rental expenses and other administrative expenses were in aggregate RMB177,610,000 for the six months ended 30 June 2025, representing a decrease of 16.4% as compared to the corresponding period in 2024. Facing the tough and highly competitive business environment, the Group also continued to implement various cost control measures in containing the general and administrative expenses of the Group aiming at alleviating the adverse impact from the tough business environment and promoting competitiveness and efficiency.

Research and development expenses for the six months ended 30 June 2025 amounted to RMB184,154,000, representing an impressive increase of 42.6% as compared to the corresponding period in 2024, mainly resulting from an increase in the new products and development projects of the automotive components and other industrial services division during the period. Despite the relatively unfavourable business environment, the Group continued to be confident in the business potential of the automobile industry and had been prudently carry out appropriate research and development projects in accordance with the strategic plan in furthering its future business opportunities.

Finance costs for the six months ended 30 June 2025 amounted to RMB50,532,000, which was decreased by 15.6% as compared to the corresponding period in 2024, resulting from a lower interest rate of the Group's borrowings during the period.

Condensed Consolidated Statement of Financial Position

As at 30 June 2025, total assets and total liabilities of the Group stood at RMB14,447,828,000 and RMB11,362,586,000 respectively.

Non-current assets amounted to RMB4,029,991,000 comprised mainly property, plant and equipment, right-of-use assets, investment properties, interests in joint ventures and associates, etc.. The total carrying values of the property, plant and equipment had taken into account of the total capital expenditure of RMB133,727,000 arising from the acquisition of property, plant and equipment, depreciation charge of RMB185,102,000 and an increase in fair value of investment properties of RMB2,415,000 for the period under review.

Current assets amounted to RMB10,417,837,000 comprised mainly inventories of RMB603,496,000, trade and other receivables of RMB2,347,314,000, bills receivable and bills receivable at fair value through other comprehensive income of RMB2,271,952,000 (inclusive of bills receivable discounted with recourse but not yet matured amounting to RMB1,929,774,000), pledged bank deposits of RMB636,042,000 and bank balances and cash of RMB4,559,033,000. Amount due from SGMW, a related company and a key customer of the Group, amounted to RMB1,049,607,000 was recorded as trade and other receivables in the condensed consolidated statement of financial position. These receivables balances were subject to normal commercial settlement terms.

Current liabilities amounted to RMB9,860,693,000, comprised mainly trade and other payables of RMB5,081,387,000, contract liabilities of RMB81,079,000, lease liabilities of RMB22,283,000, provision for warranty of RMB106,475,000, bank borrowings — due within one year of RMB2,634,926,000 and advances drawn on bills receivable discounted with recourse of RMB1,932,109,000. The corresponding bills receivable discounted with recourse to these advances amounting to RMB1,929,774,000 were recorded as bills receivable discounted with recourse but not yet matured, which amounts would be offset against upon maturity.

The Group recorded net current assets of RMB557,144,000 as at 30 June 2025, which was further improved as compared to the net current assets of RMB74,022,000 as at 31 December 2024, partly due to an increase in long term bank borrowings.

Non-current liabilities amounted to RMB1,501,893,000 comprised mainly bank borrowings of RMB1,433,470,000, lease liabilities of RMB19,441,000 and deferred tax liability of RMB44,643,000.

Liquidity and Capital Structure

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debts and equity balance. The Group's overall strategy remains unchanged from that of prior year.

The capital structure of the Group consists of debts, which includes the advances drawn on bills receivable discounted with recourse and bank borrowings, and equity attributable to owners of the Company in the condensed consolidated statement of financial position.

During the six months ended 30 June 2025, the operating and investing activities of the Group were mainly satisfied by the financing activities of the Group through the drawdown of bank borrowings and the bills receivable discounted.

The Group considers the application of alternative means of financing, i.e. bank borrowings and bill discounting activities in terms of the respective finance cost consideration.

As at 30 June 2025, total bank borrowings were RMB4,068,396,000, which were increased of 36.5% as compared to the total balances of RMB2,980,139,000 as at 31 December 2024. On the other hand, the outstanding advances drawn on bills receivable discounted with recourse were decreased by 21.1% to RMB1,932,109,000. The corresponding bills receivable discounted with recourse to these advances amounting to RMB1,929,774,000 were recorded as bills receivable discounted with recourse but not yet matured, which would be offset against upon maturity. During the period under review, the Group discounted total bills receivables amounting to approximately RMB3,131,157,000 with the banks for providing the necessary fundings for its daily operations.

Meanwhile, the Group maintained a relatively higher cash at bank balances (together with the pledged bank deposits) at RMB5,195,075,000, which was moderately increased as compared to the position as at 31 December 2024.

Total equity attributable to the shareholders of the Company, comprised primarily the share premium, statutory reserve, contributed surplus, capital reserve, other reserves and retained profits, amounted to RMB1,992,026,000 as at 30 June 2025. Net asset value per share was approximately RMB60.4 cents as at 30 June 2025.

In view of the dynamic business environment and the risks and exposures associated with the automobile industry, the Group had been and would cautiously implement its strategic and business plans such that the financial position in terms of the net assets of the Group and attributable to the owners of the Company, the amount of net current liabilities and the gearing ratio of the Group would be sustained in a financial healthy position. The Directors consider the current financial position of the Group will enable it to withstand the risks and challenges under the current market environment.

In this regard, the Group will continue to closely monitor the liquidity and financial position of the Group, as well as the market environment (including the unprecedented adverse issues) and the financial market from time to time in order to arrive at an appropriate financial strategy for the Group.

Seasonality or Cyclicalities of Interim Operations

The Group's three main business segments namely (i) vehicles' power supply systems; (ii) automotive components and other industrial services; and (iii) commercial vehicles assembly sees higher demand for their products during the second half, which is consistent with the practice of the automobile industry. The aforementioned industry practice is primarily related to exhibitions and promotion activities held during September and October which stimulates higher demand in the following months until Chinese New Year. As a result, the Group typically reports higher revenue and segment results for the second half of the year, than the first half.

For the twelve months ended 30 June 2025, the three main business segments of the Group reported revenue of RMB7,997,074,000 (twelve months ended 30 June 2024: RMB9,302,967,000). The decrease was mainly attributable to the reduction in the business volume of the Group due to the unfavourable market condition and the decrease in the revenue of the commercial vehicle assembly division resulting from the Group's repositioning strategy on the refitted vehicles since the second half of 2023.

Pledge of Assets

At 30 June 2025, bank deposits amounting to RMB636,042,000 held by the Group and bills receivable discounted with recourse but not yet matured amounting to RMB1,929,774,000 were pledged to the banks mainly to secure certain banking, bills payable and bills discounting facilities offered to the Group.

Exposure to Fluctuation in Exchange Rates

At 30 June 2025, the Group maintained Hong Kong dollar and United States dollar and Euro bank deposits and trade and other receivables equivalent to an aggregate amount of RMB14,965,000. In comparison with the relative size of the Group's assets, liabilities and main transactions which are denominated in RMB, the Group regarded its exposure to fluctuations in exchange rates and currencies to be reasonable and would monitor the foreign exchange exposures of the Group as well as the prevailing market condition in arriving at appropriate strategy.

Commitments

At 30 June 2025, the Group has outstanding commitments, contracted but not provided for in the financial statements, in respect of the acquisitions of property, plant and equipment amounting to RMB95,027,000.

Contingent Liabilities

At 30 June 2025, the Group did not have any material contingent liabilities.

INTERIM DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs. During the six months ended 30 June 2025, the Company confirmed that it has fully complied with all the code provisions on Corporate Governance Practices Code contained in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange which sets out the principles of good corporate governance and the code provisions.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Own Code") on terms no less exacting than the Model Code, as amended from time to time. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Own Code and the Model Code throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee of the Company ("Audit Committee"), comprising the three independent non-executive Directors, namely Mr. Ye Xiang (the Chairman), Mr. Wang Yuben and Mr. Xu Jinli, and non-executive Director, Mr. Li Zheng, has been established in accordance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing, inter alia, supervision over the Group's financial reporting, internal controls and risk management systems. The terms of reference of the Audit Committee are currently disclosed on the websites of the Company (www.wuling.com.hk) and the Stock Exchange (www.hkexnews.hk).

At the request of the Audit Committee, the Company's auditors, KPMG, had carried out a review of the unaudited interim financial information of the Group for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The unaudited interim financial information of the Group for the six months ended 30 June 2025 has also been reviewed by the Audit Committee.

CHANGE OF CHIEF EXECUTIVE OFFICER

Due to a management redesignation programme implemented by our parent company, Mr. Song Wei, was redesignated as a senior executive of another group company of Guangxi Automobile and resigned as the chief executive officer of the Company with effect from 18 February 2025. His position was succeeded by Mr. Yang Jie, our current chief executive officer. Further details in relation to the change of the chief executive officer of the Company, the appointment, as well as the academic background and working experiences of Mr. Yang Jie were disclosed in the Company's announcement dated 17 February 2025.

INTERIM REPORT

The interim report for the six months ended 30 June 2025 containing all information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.wuling.com.hk respectively in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Yuan Zhijun (Chairman), Mr. Wei Mingfeng and Ms. Zhu Fengyan as executive Directors, Mr. Li Zheng as non-executive Director and Mr. Ye Xiang, Mr. Wang Yuben and Mr. Xu Jinli as independent non-executive Directors.

On behalf of the Board of
Wuling Motors Holdings Limited
YUAN Zhijun
Chairman

Hong Kong, 26 August 2025