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慶鈴汽車股份有限公司

QINGLING MOTORS CO. LTD

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

(Stock Code: 1122)

## ANNOUNCEMENT OF INTERIM RESULTS 2025

The board of directors (the “**Board**”) of Qingling Motors Co. Ltd (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2025, together with comparative figures for the corresponding period in 2024, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	NOTES	2025 RMB'000 (unaudited)	2024 RMB'000 (unaudited)
<b>Revenue</b>	3	<b>2,072,472</b>	2,112,181
<b>Cost of Sales</b>		<b>(1,933,730)</b>	(1,964,841)
<b>Gross profit</b>		<b>138,742</b>	147,340
<b>Other income</b>		<b>132,110</b>	136,709
<b>Other expenses</b>		<b>(1,815)</b>	(3,989)
<b>Impairment losses under expected credit loss model, net of reversal</b>		<b>(513)</b>	108
<b>Other gains and losses, net</b>		<b>(2,366)</b>	(5,547)
<b>Distribution and selling expenses</b>		<b>(110,025)</b>	(111,091)
<b>Administrative expenses</b>		<b>(90,841)</b>	(90,272)
<b>Research expenses</b>		<b>(93,448)</b>	(79,517)
<b>Finance costs</b>		<b>(2,111)</b>	(671)
<b>Share of results of associates</b>		<b>159</b>	75
<b>Share of results of joint ventures</b>		<b>3,984</b>	2,169
<b>Loss before tax</b>	4	<b>(26,124)</b>	(4,686)
<b>Income tax expense</b>	5	<b>(5,225)</b>	(3,456)
<b>Loss and total comprehensive expenses for the period</b>		<b>(31,349)</b>	(8,142)

		2025	2024
	NOTES	RMB'000	RMB'000
		(unaudited)	(unaudited)
<b>Loss and total comprehensive</b>			
<b>expenses for the period attributable to:</b>			
Owners of the Company		(35,530)	(12,290)
Non-controlling interests		<u>4,181</u>	<u>4,148</u>
		<u>(31,349)</u>	<u>(8,142)</u>
		RMB cents	RMB cents
Basic loss per share	7	<u>(1.43)</u>	<u>(0.50)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025	At 31 December 2024
	NOTES	RMB'000 (unaudited)	RMB'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	8	1,263,739	1,237,481
Right-of-use assets		38,903	35,926
Investment properties		18,257	18,398
Intangible assets		124,152	145,245
Right to returned goods asset		6,788	—
Interests in associates		7,333	7,174
Interests in joint ventures		492,723	488,329
Deferred tax assets		58,930	62,696
Time deposits	10	152,164	2,057,376
Trade receivables	9	593,540	512,962
Finance lease receivables		1,997	2,248
Deposit paid for property, plant and equipment		487	592
		<b>2,759,013</b>	<b>4,568,427</b>
<b>Current assets</b>			
Inventories		1,092,057	1,276,508
Trade, bills and other receivables and prepayments	9	1,657,990	1,382,127
Time deposits	10	3,861,935	2,268,069
Cash and cash equivalents		678,938	688,304
Finance lease receivables		499	493
		<b>7,291,419</b>	<b>5,615,501</b>

		At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
	<i>NOTES</i>		
<b>Current liabilities</b>			
Trade, bills and other payables	11	2,352,902	2,440,211
Tax liabilities		299	460
Contract liabilities		130,666	134,223
Refund liabilities		50,882	65,611
Lease liabilities		15,288	17,118
		<u>2,550,037</u>	<u>2,657,623</u>
<b>Net current assets</b>		<u>4,741,382</u>	<u>2,957,878</u>
<b>Total assets less current liabilities</b>		<u><u>7,500,395</u></u>	<u><u>7,526,305</u></u>
<b>Capital and reserves</b>			
Share capital		2,482,268	2,482,268
Share premium and reserves		4,824,908	4,860,438
		<u>7,307,176</u>	<u>7,342,706</u>
Equity attributable to owners of the Company		7,307,176	7,342,706
Non-controlling interests		181,580	177,399
		<u>7,488,756</u>	<u>7,520,105</u>
<b>Total equity</b>		<u>7,488,756</u>	<u>7,520,105</u>
<b>Non-current liabilities</b>			
Lease liabilities		8,456	2,651
Deferred income – government grants		3,183	3,549
		<u>11,639</u>	<u>6,200</u>
		<u><u>7,500,395</u></u>	<u><u>7,526,305</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix D2 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the annual consolidated financial statements of Qingling Motors Co. Ltd (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024.

### Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE/SEGMENT INFORMATION

#### i. Disaggregation of revenue from contracts with customers

The Group's revenue represents sales of trucks, chassis, automobile parts, accessories and others to external customers, which are recognised at a point in time. The following is an analysis of the Group's revenue from its major products.

	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
<b>Types of goods</b>		
Sales of light-duty trucks	932,672	902,670
Sales of pick-up trucks	261,801	227,963
Sales of medium and heavy-duty trucks	489,612	511,302
Sales of chassis	170,909	298,421
Sales of automobile parts, accessories and others	217,478	171,825
	<u>2,072,472</u>	<u>2,112,181</u>
Total	<u>2,072,472</u>	<u>2,112,181</u>

Except for export sales to countries outside the People's Republic of China (the "PRC") amounting to RMB71,728,000 (unaudited) (six months ended 30 June 2024: RMB 181,712,000 (unaudited)), all other sales of the Group are made to customers located in the PRC.

Set out below is the reconciliation of the revenue from contracts with customers disclosed in the segment information.

	Light-duty trucks and chassis <i>RMB'000</i> (unaudited)	Pick-up trucks and chassis <i>RMB'000</i> (unaudited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (unaudited)	Automobile parts, accessories and others <i>RMB'000</i> (unaudited)	Consolidated <i>RMB'000</i> (unaudited)
<b>Six months ended 30 June 2025</b>					
Sales of light-duty trucks	932,672	–	–	–	932,672
Sales of pick-up trucks	–	261,801	–	–	261,801
Sales of medium and heavy-duty trucks	–	–	489,612	–	489,612
Sales of chassis	160,306	–	10,603	–	170,909
Sales of automobile parts, accessories and others	–	–	–	217,478	217,478
	<u>1,092,978</u>	<u>261,801</u>	<u>500,215</u>	<u>217,478</u>	<u>2,072,472</u>
Revenue	<u>1,092,978</u>	<u>261,801</u>	<u>500,215</u>	<u>217,478</u>	<u>2,072,472</u>

	Light-duty trucks and chassis <i>RMB'000</i> (unaudited)	Pick-up trucks and chassis <i>RMB'000</i> (unaudited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (unaudited)	Automobile parts, accessories and others <i>RMB'000</i> (unaudited)	Consolidated <i>RMB'000</i> (unaudited)
Six months ended 30 June 2024					
Sales of light-duty trucks	902,670	–	–	–	902,670
Sales of pick-up trucks	–	227,963	–	–	227,963
Sales of medium and heavy-duty trucks	–	–	511,302	–	511,302
Sales of chassis	291,237	–	7,184	–	298,421
Sales of automobile parts, accessories and others	–	–	–	171,825	171,825
Revenue	<u>1,193,907</u>	<u>227,963</u>	<u>518,486</u>	<u>171,825</u>	<u>2,112,181</u>

## ii. Segment information

The Group is engaged in the manufacture and sales of four categories of products, light-duty trucks and chassis, pick-up trucks and chassis, medium and heavy-duty trucks and chassis and automobile parts, accessories and others, and the chief operating decision makers (i.e. the Company's executive directors) review the segment information by these categories to allocate resources to segments and to assess their performance.

Specifically, the Group's operating and reportable segments under HKFRS 8 Operating Segments are as follows:

Light-duty trucks and chassis	– manufacture and sales of light-duty trucks and chassis
Pick-up trucks and chassis	– manufacture and sales of pick-up trucks and chassis
Medium and heavy-duty trucks and chassis	– manufacture and sales of medium and heavy-duty trucks and chassis
Automobile parts, accessories and others	– manufacture and sales of automobile parts, accessories and others

**Segment revenue and results**

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

**Six months ended 30 June 2025**

	Light-duty trucks and chassis <i>RMB'000</i> (unaudited)	Pick-up trucks and chassis <i>RMB'000</i> (unaudited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (unaudited)	Automobile parts, accessories and others <i>RMB'000</i> (unaudited)	Consolidated <i>RMB'000</i> (unaudited)
Segment revenue	<u>1,092,978</u>	<u>261,801</u>	<u>500,215</u>	<u>217,478</u>	<u>2,072,472</u>
Result					
Segment profit (loss)	<u>10,620</u>	<u>(25,160)</u>	<u>(48,575)</u>	<u>60,841</u>	<u>(2,274)</u>
Central administration costs					(37,350)
Other income					109,610
Other expenses					(1,815)
Impairment losses under expected credit loss model, net of reversal					(513)
Other gains and losses, net					(2,366)
Research expenses					(93,448)
Finance costs					(2,111)
Share of results of associates					159
Share of results of joint ventures					<u>3,984</u>
Loss before tax					<u>(26,124)</u>



Six months ended 30 June 2024

	Light-duty trucks and chassis <i>RMB'000</i> (unaudited)	Pick-up trucks and chassis <i>RMB'000</i> (unaudited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (unaudited)	Automobile parts, accessories and others <i>RMB'000</i> (unaudited)	Consolidated <i>RMB'000</i> (unaudited)
Segment revenue	<u>1,193,907</u>	<u>227,963</u>	<u>518,486</u>	<u>171,825</u>	<u>2,112,181</u>
Result					
Segment profit (loss)	<u>(17,710)</u>	<u>(20,267)</u>	<u>692</u>	<u>25,714</u>	<u>(11,571)</u>
Central administration costs					(42,452)
Other income					136,709
Other expenses					(3,989)
Impairment losses under expected credit loss model, net of reversal					108
Other gains and losses, net					(5,547)
Research expenses					(79,517)
Finance costs					(671)
Share of results of associates					75
Share of results of joint ventures					<u>2,169</u>
Loss before tax					<u>(4,686)</u>

There have been no inter-segment sales during the six months ended 30 June 2025 and 2024 (unaudited).

Segment profit (loss) represents the profit earned by (loss incurred from) each segment without allocation of central administration costs, other income, other expenses, impairment losses under expected credit loss model, other gains and losses, net, research expenses, finance costs, share of results of associates and share of results of joint ventures. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

## ***Segment assets and liabilities***

The following is an analysis of the Group's assets and liabilities by operating and reportable segment:

**As at 30 June 2025**

	Light-duty trucks and chassis <i>RMB'000</i> (unaudited)	Pick-up trucks and chassis <i>RMB'000</i> (unaudited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (unaudited)	Automobile parts, accessories and others <i>RMB'000</i> (unaudited)	Consolidated <i>RMB'000</i> (unaudited)
Assets					
Segment assets	<u>1,218,912</u>	<u>510,937</u>	<u>910,096</u>	<u>1,331,393</u>	<u>3,971,338</u>
Interchangeably used assets between segments					
– Property, plant and equipment					372,534
– Right-of-use assets					38,903
– Inventories					27,781
Investment properties					18,257
Interests in associates					7,333
Interests in joint ventures					492,723
Cash and cash equivalents and time deposits					4,693,037
Other unallocated assets					<u>428,526</u>
Consolidated total assets					<u>10,050,432</u>
Liabilities					
Segment liabilities	<u>158,529</u>	<u>42,276</u>	<u>65,349</u>	<u>97,755</u>	<u>363,909</u>
Unallocated trade, bills and other payables					2,169,741
Unallocated lease liabilities					23,744
Other unallocated liabilities					<u>4,282</u>
Consolidated total liabilities					<u>2,561,676</u>

As at 31 December 2024

	Light-duty trucks and chassis <i>RMB'000</i> (audited)	Pick-up trucks and chassis <i>RMB'000</i> (audited)	Medium and heavy-duty trucks and chassis <i>RMB'000</i> (audited)	Automobile parts, accessories and others <i>RMB'000</i> (audited)	Consolidated <i>RMB'000</i> (audited)
Assets					
Segment assets	<u>1,446,126</u>	<u>448,781</u>	<u>679,900</u>	<u>828,571</u>	<u>3,403,378</u>
Interchangeably used assets between segments					
– Property, plant and equipment					370,183
– Right-of-use assets					35,926
– Inventories					387,650
Investment properties					18,398
Interests in associates					7,174
Interests in joint ventures					488,329
Cash and cash equivalents and time deposits					5,013,749
Other unallocated assets					<u>459,141</u>
Consolidated total assets					<u>10,183,928</u>
Liabilities					
Segment liabilities	<u>178,347</u>	<u>46,822</u>	<u>76,038</u>	<u>50,167</u>	<u>351,374</u>
Unallocated trade, bills and other payables					2,290,342
Unallocated lease liabilities					19,769
Other unallocated liabilities					<u>2,338</u>
Consolidated total liabilities					<u>2,663,823</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating and reportable segments other than interchangeably used assets between segments, investment properties, interests in associates, interests in joint ventures, cash and cash equivalents and time deposits and other unallocated assets held by the head office; and
- All liabilities are allocated to operating and reportable segments other than unallocated trade, bills and other payables, unallocated lease liabilities and other unallocated liabilities of the head office.

#### 4. LOSS BEFORE TAX

	2025 <b>RMB'000</b> (unaudited)	2024 <b>RMB'000</b> (unaudited)
Loss before tax has been arrived at after charging (crediting):		
Salaries and other payments and benefits	<b>146,379</b>	137,094
Retirement benefits scheme contributions	<b>24,008</b>	19,815
Total staff costs (including directors' and supervisors' remuneration)	<b>170,387</b>	156,909
Staff costs capitalised in inventories	<b>(72,101)</b>	(92,342)
	<b>98,286</b>	64,567
Loss on disposal of property, plant and equipment, net	<b>641</b>	938
Amortisation of intangible assets	<b>21,135</b>	19,174
Depreciation of property, plant and equipment	<b>39,218</b>	31,858
Depreciation of right-of-use assets	<b>11,073</b>	8,732
Total depreciation	<b>50,291</b>	40,590
Capitalised in inventories	<b>(31,785)</b>	(21,299)
	<b>18,506</b>	19,291
Finance costs of lease liabilities	<b>1,019</b>	671
Finance costs of acceptance of bills	<b>1,093</b>	–
Depreciation of investment properties	<b>141</b>	141
Expenses relating to short-term leases	<b>3,515</b>	3,763
Net foreign exchange loss	<b>1,995</b>	5,718
Cost of inventories recognised as an expense (including write-down of inventories: nil (six months ended 30 June 2024: nil))	<b>1,933,730</b>	1,964,841
Subsequent sales of written-down inventories	<b>(19,616)</b>	(2,334)
Interest income from time deposits and bank balances	<b>(59,653)</b>	(69,808)
Rental income from renting of investment properties	<b>(2,254)</b>	(2,126)
Less: Direct operating expenses from investment properties that generated rental income during the period	<b>410</b>	255
	<b>(1,844)</b>	(1,871)
Rental income from renting of equipment	<b>(22,594)</b>	(21,444)
Miscellaneous service income	<b>(2,663)</b>	(4,310)
Miscellaneous service expenses	<b>1,594</b>	3,989
Government grants, including release from deferred income ( <i>Note (a)</i> )	<b>(23,268)</b>	(12,241)

Note:

- (a) The government grants mainly comprise the special funds for innovative development projects, which is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the six months ended 30 June 2025, the Group recognised no grants (unaudited) (six months ended 30 June 2024: RMB 10,870,000 (unaudited)) related to special funds for innovative development projects.

During the six months ended 30 June 2025, the Group recognised grants of RMB22,500,000 (unaudited) (six months ended 30 June 2024: nil (unaudited)) related to hydrogen fuel cell vehicle research and development.

During the six months ended 30 June 2025, RMB366,000 (unaudited) (six months ended 30 June 2024: RMB367,000 (unaudited)) was released to profit or loss from deferred income.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of research expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

## 5. INCOME TAX EXPENSE

	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
Current tax	804	3,441
Under (over) provision in respect of prior years	654	(542)
Deferred tax	3,767	557
	<u>5,225</u>	<u>3,456</u>

According to the Notice of the Continuation of the Enterprise Income Tax for Implementation of Exploration and Development of Western Region (Notice of the Ministry of Finance, State Administration of Taxation and National Development and Reform Commission No. 23 [2020]) and the Catalogue of Industries Encouraged to Develop in the Western Region (Order of the National Development and Reform Commission No. 40), companies located in the western region of the PRC and engaged in the businesses encouraged by the PRC government are entitled to the preferential enterprise income tax (“EIT”) rate of 15% from 1 January 2021 to 31 December 2030 if the operating revenue of the encouraged business in a year accounted for more than 60% of the total income in that year. The Company and 重慶慶鈴模具有限公司 (“**Qingling Moulds**”), a subsidiary of the Company, are engaged in the encouraged businesses included in the related notice and catalogue and the total revenue of their major businesses for the period accounted for 60% of their respective total revenue, and therefore continue to enjoy the preferential EIT rate of 15% for both periods.

Under the Laws of the PRC on the Enterprise Income Tax (“**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the remaining PRC subsidiaries are 20% for the six months ended 30 June 2025 (six months ended 30 June 2024: 20% and 25%).

## 6. DIVIDENDS

No dividend were paid, declared or proposed during the interim period (six months ended 30 June 2024: nil).

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

## 7. LOSS PER SHARE

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2025 <i>RMB'000</i> (unaudited)	2024 <i>RMB'000</i> (unaudited)
<b>Loss</b>		
Loss for the purpose of basic loss per share		
Loss and total comprehensive expenses for the period attributable to owners of the Company	<u>(35,530)</u>	<u>(12,290)</u>
	<b>2025 '000</b>	<b>2024 '000</b>
<b>Number of shares</b>		
Number of shares for the purpose of basic loss per share	<u>2,482,268</u>	<u>2,482,268</u>

No diluted loss per share were presented as there were no potential ordinary shares in issue in both periods presented.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of RMB66,117,000 (unaudited) (six months ended 30 June 2024: RMB77,650,000 (unaudited)) mainly for constructions in progress, and disposed of property, plant and equipment with an aggregate carrying amount of RMB641,000 (unaudited) (six months ended 30 June 2024: RMB1,000,000 (unaudited)).

## 9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

At the end of the reporting period, the Group's trade, bills and other receivables and prepayments are as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Trade receivables, less allowance for credit losses	1,240,288	1,163,549
Bills receivables	642,749	337,650
Other receivables, less allowance for credit losses	84,546	24,999
Prepayments for raw materials	54,958	140,039
Grant receivable, less allowance for credit losses (Note)	228,989	228,852
	<u>2,251,530</u>	<u>1,895,089</u>
Less: Non-current – trade receivables	(593,540)	(512,962)
	<u><u>1,657,990</u></u>	<u><u>1,382,127</u></u>
	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Trade receivables comprise:		
Within one year	646,748	650,587
Within a period of more than one year but not exceeding five years	593,540	512,962
	<u><u>1,240,288</u></u>	<u><u>1,163,549</u></u>

*Note:*

As at 30 June 2025 and 31 December 2024, there was reasonable assurance that the Group will comply with the conditions attached and the grants under the hydrogen fuel cell vehicles subsidies and special funds for innovative development projects. Hence a grant receivable was recognised as at 30 June 2025 and 31 December 2024.

The credit period granted on sales of goods is mainly from 3 to 6 months except for the subsidiaries of 慶鈴汽車(集團)有限公司 (“**Qingling Group**”, the ultimate holding company of the Company), to which a credit period of 1 year is granted.

Since last year, the Company has entered into contracts with several customers in structured installment payment methods, each with a fixed term of 5 years.

At the end of the reporting period, the aged analysis of the Group's trade receivables, net of allowance for credit losses, presented based on invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Within 3 months	186,624	601,284
Between 3 to 6 months	326,062	202,744
Between 7 to 12 months	438,144	316,342
Over 1 year	289,458	43,179
	<u>1,240,288</u>	<u>1,163,549</u>

At the end of the reporting period, the aged analysis of bills receivables of the Group based on issue date is as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Within 1 month	262,055	220,654
Between 1 to 2 months	27,043	32,650
Between 2 to 3 months	29,492	13,356
Between 3 to 6 months	324,159	70,990
Between 6 to 12 months	—	—
	<u>642,749</u>	<u>337,650</u>

All the above bills receivables are guaranteed by banks and their maturity dates are within 12 months.



## 10. TIME DEPOSITS

The time deposits are with a term from more than 3 months to 36 months (unaudited) (31 December 2024: from more than 3 months to 36 months (audited)) and carry interest at rates ranging from 1.60% to 3.45% (unaudited) (31 December 2024: from 1.50% to 3.55% (audited)) per annum.

## 11. TRADE, BILLS AND OTHER PAYABLES

At the end of reporting period, the Group's trade, bills and other payables are as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Trade and bills payables	2,006,507	2,126,249
Selling expenses payables	148,249	124,660
Other tax payables	34,912	28,169
Other payables	163,234	161,133
	<u>2,352,902</u>	<u>2,440,211</u>

At the end of the reporting period, the aged analysis of trade and bill payables of the Group based on purchase date/bills issue date is as follows:

	At 30 June 2025 <i>RMB'000</i> (unaudited)	At 31 December 2024 <i>RMB'000</i> (audited)
Within 3 months	1,775,400	1,853,310
Between 3 to 6 months	227,463	268,300
Between 7 to 12 months	275	940
Over 12 months	3,369	3,699
	<u>2,006,507</u>	<u>2,126,249</u>

## 2025 FIRST HALF-YEARLY RESULTS

For the six months ended 30 June 2025, the Group sold 16,842 vehicles, representing a decrease of 1.82% as compared to the corresponding period last year. Sales revenue amounted to RMB2,072 million, representing a decrease of 1.88% as compared to the corresponding period last year. Loss and total comprehensive expenses for the period attributable to owners of the Company was RMB35,530,000, and loss and total comprehensive expenses attributable to owners of the Company for the corresponding period last year was RMB12,290,000.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Review of Results

From January to June 2025, domestic commercial vehicle production and sales reached 2.099 million and 2.122 million units, respectively, representing year-on-year increases of 4.7% and 2.6%. Overall, the commercial vehicle market is showing signs of recovery, but demand remains weak, end consumer confidence is insufficient, and the trend of consumption downgrading is evident. The escalating “price war” has led to a decline in the industry’s average profit margin, with profits hitting rock bottom and approaching the break-even warning line for manufacturing industry, putting significant pressure on business operations. At the same time, the international situation is complex and volatile, with geopolitical conflicts dragging on and escalating, further exacerbating operational risks in overseas markets.

Facing market challenges, the Company’s employees and cadres have rallied their efforts and actively responded to the challenges. On one hand, the Company has endeavoured to expand the market, achieving a 20% year-on-year increase in pick-up truck sales and a 3% year-on-year increase in medium-and heavy-duty truck sales in the first half of the year; new energy vehicle sales grew by 10.39% year-on-year, while the export market remained stable. On the other hand, the Company has adhered to innovation-driven development, with R&D expenditure intensity reaching 4.51% in the first half of the year. The innovation chain and industrial ecosystem have continued to expand, accelerating the construction of the industrial ecosystem. Products such as Lingjie (鈴界), Lingkun (鈴坤), and VAN/light-trucks were launched on schedule, and the Ningde chocolate battery-swapping project (寧德巧克力換電項目) is expected to meet sales conditions in the second half of the year. The H47 coal transport tractor for Xinjiang coal shipments was successfully developed and has already received orders. Cost-effective products such as the T28 and KV800 were introduced, and the pre-research for hybrid pick-up trucks has completed the powertrain configuration plan. Meanwhile, breakthroughs have been made in key core technological innovations, such as engines and EV chassis energy efficiency.

## OUTLOOK AND PROSPECTS

China's commercial vehicle industry is currently in a critical window period of deep adjustment and transformation. The accelerated pace of technological iteration, clear policy guidance, and evolving customer demands, among other factors, are compelling companies to achieve breakthroughs simultaneously in innovation and R&D, cost control, and service models. Collaborative innovation across the industrial chain is accelerating, with cross-industry co-operations and ecosystem co-construction becoming the norm. Overseas markets have emerged as a vital growth driver. The Company will continue to implement the following strategies: optimizing mechanisms and addressing bottlenecks; accelerating transformation and extending the industrial chain; prioritizing innovation and strengthening core competencies; fostering broad integration and nurturing ecosystems; expanding scale and rapidly increasing production volume. In line with the annual and mid-year work plans, we will diligently advance all tasks, with a focus on the following priorities:

**Stabilizing traditional fuel vehicles** by reinforcing innovation-driven approaches, introducing new products, and overcoming core technological challenges to achieve “premium quality at comparable prices”; **advancing electrification** through collaborative projects in innovation and industrial chains to build a robust industrial ecosystem, enriching product portfolios and enhancing product competitiveness. Innovating sales models and expanding financial services; **expanding overseas markets** by strengthening market research, selecting key products, and building localized teams, KD factories, and sales-service networks while enhancing internal system capabilities; **stabilizing hydrogen energy** by intensifying technological breakthroughs to maintain technological leadership, improving product cost-performance ratios, strengthening industrial synergy, promoting infrastructure development, and scaling up demonstration applications; **capturing market share** by strengthening dealer networks and solidifying marketing foundations, going all out to compete for market share, secure orders, and boost sales to achieve breakthroughs; **reducing costs** across vehicle production, operation, and maintenance; **accelerating transformation** by bolstering technological support and refining incentive mechanisms; **energizing the workforce** by continuously deepening talent development, improving systems, and enhancing incentives to foster a dynamic and entrepreneurial environment; **enhancing efficiency** by advancing digitalization, improving management quality and efficacy, enriching telematics functionalities, and delivering value-added services to customers to drive sales growth.

## **FINANCIAL REVIEW**

### **Financial Performance**

For the six months ended 30 June 2025, the revenue of the Group was RMB2,072,472,000, representing a decrease of 1.88% as compared to the corresponding period last year, mainly attributable to the decreased demand in overseas commercial vehicle markets.

Gross profit for the period was RMB138,742,000, representing a decrease of 5.84% as compared to the corresponding period last year. Gross profit margin of the Group for the period was 6.69%, and it was 6.98% for the corresponding period last year. Loss and total comprehensive expenses for the period attributable to owners of the Company was RMB35,530,000, and loss and total comprehensive expenses attributable to owners of the Company for the corresponding period last year was RMB12,290,000.

For the six months ended 30 June 2025, other income was RMB132,110,000, which mainly included bank interest income, government grants and rental income, representing a decrease of 3.36% as compared to the corresponding period last year. The decrease was mainly due to the decrease in government grants and interest income.

For the six months ended 30 June 2025, basic loss per share was RMB1.43 cents. The Company did not issue any new shares during the period.

### **Financial Position**

As at 30 June 2025, the total assets and total liabilities of the Group were RMB10,050,432,000 and RMB2,561,676,000, respectively.

The non-current assets were RMB2,759,013,000, mainly including time deposits, property, plant and equipment, interests in joint ventures, trade receivables and intangible assets.

The current assets amounted to RMB7,291,419,000, including inventories of RMB1,092,057,000, finance lease receivables of RMB499,000, trade, bills and other receivables and prepayments of RMB1,657,990,000, time deposits of RMB3,861,935,000, and cash and cash equivalents of RMB678,938,000.

The current liabilities amounted to RMB2,550,037,000, mainly including trade, bills and other payables of RMB2,352,902,000, tax liabilities of RMB299,000, contract liabilities of RMB130,666,000, refund liabilities of RMB50,882,000 and lease liabilities of RMB15,288,000.

As at 30 June 2025, the Group's non-current liabilities amounted to RMB11,639,000, mainly including lease liabilities and deferred income.

Net current assets increased from RMB2,957,878,000 as at 31 December 2024 to RMB4,741,382,000 as at 30 June 2025, representing an increase of 60.30%.

## Liquidity and Capital Structure

The Group's working capital requirement was financed by its own cash flow. Gearing ratio represented the percentage of total liabilities over total equity as per condensed consolidated statement of financial position. The gearing ratio of the Group as at 30 June 2025 was 34.21% (as at 31 December 2024: 35.42%).

The issued share capital of the Company as at 30 June 2025 was maintained at RMB2,482,268,000 as no share was issued during the six months ended 30 June 2025. For the six months ended 30 June 2025, there was no material change in the financing strategies of the Group and the Group did not incur any bank borrowings nor any non-current liabilities.

The Company would closely monitor the financial and liquidity position of the Group and financial market from time to time in order to formulate financing strategies appropriate to the Group.

The total equity attributable to owner of the Company as at 30 June 2025 was RMB7,307,176,000. The net asset per share (calculated by dividing the total equity attributable to owners of the Company by the number of ordinary shares in issue of the Company) as at 30 June 2025 was RMB2.94.

## Significant Investment

As at 30 June 2025, the Group's interests in joint ventures were RMB492,723,000 which mainly included the interest in 五十鈴(中國)發動機有限公司 (“**Isuzu Engine**”) of RMB428,288,000 and interests in associates were RMB7,333,000. For the six months ended 30 June 2025, the joint ventures and associates of the Group were under normal operation.

During the six months ended 30 June 2025, the Group had no significant acquisition or disposal.

## Segment Information

The revenue contributed by light-duty trucks and chassis, medium and heavy-duty trucks and chassis were RMB1,092,978,000 and RMB500,215,000, respectively, representing 76.87% of the total revenue. The revenue contributed by pick-up trucks and chassis was RMB261,801,000, representing 12.63% of the total revenue.

Light-duty trucks and chassis, medium and heavy-duty trucks and chassis are currently the major products accounting for the highest contribution to the revenue of the Group.

## **Pledge of Assets**

During the period ended 30 June 2025, no asset of the Group was pledged for financial facilities (during the period ended 30 June 2024: nil).

## **Effects of Foreign Exchange Rate Changes**

As at 30 June 2025, the Group had bank balances denominated in foreign currency of RMB2,059,000 and foreign currency-denominated trade, bills and other receivables and prepayments of RMB1,028,000.

The major foreign currency-denominated transactions of the Group were the purchasing business of automobile parts denominated in Japanese Yen. The Group did not encounter any difficulty or suffer any significant impact on its operations or liquidity as a result of the fluctuation of the exchange rate.

## **Commitments**

As at 30 June 2025, the Group had capital commitments of RMB161,530,000 that had been contracted for but not provided in the condensed consolidated financial statements, mainly including the outstanding consideration payable for acquisition of property, plant and equipment. The Group expects to finance the above capital requirement by its own cash flows.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (for the period ended 30 June 2024 : nil) .

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2025, the Group had 2,984 employees. For the six months ended 30 June 2025, labour cost was RMB170,387,000. The Group determines the emoluments payable to its employees based on their performances, experience and prevailing industry practices while the Group's remuneration policy and packages are reviewed on a regular basis so as to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. Depending on the assessment about their work performances, employees may be granted bonuses and rewards which in turn provide the motives and incentives for better individual performance.

## STRUCTURE OF SHAREHOLDING

- (1) As at 30 June 2025, the entire share capital of the Company comprised 2,482,268,268 shares, including:

	Number of shares	Percentage of total number of issued shares
Domestic shares	1,243,616,403 shares	about 50.10%
H shares	1,238,651,865 shares	about 49.90%

- (2) Substantial shareholders

As at 30 June 2025, shareholders other than directors, supervisors or chief executives of the Company having an interest and short positions in 5% or more of the relevant class of the issued share capital of the Company as recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (the “SFO”) were as follows:

Long positions in the shares of the Company:

Name of shareholders	Class of shares	Number of shares held	Capacity	Percentage of share capital of relevant class	Percentage of entire share capital
Qingling Motors (Group) Company Limited	Domestic shares	1,243,616,403 shares	Beneficial owner	100.00%	50.10%
Isuzu Motors Limited	H shares	496,453,654 shares	Beneficial owner	40.08%	20.00%

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2025.



## **DIRECTORS', FORMER SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES**

As at 30 June 2025, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined under the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”). For the six months ended 30 June 2025 (for former supervisors, for the period ended 27 June 2025), none of the directors, former supervisors and chief executives of the Company, their spouse or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2025, none of the Company and its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, the Company did not hold any treasury shares.

## **CORPORATE GOVERNANCE**

The Company puts high emphasis on and endeavors to maintain high standards of corporate governance. The Board believes that good corporate governance practices are important to promote investors' confidence and protect the interest of our shareholders. We attach importance to our staff, our code of conduct and our corporate policies and standards, which together form the basis of our corporate governance practices. The Board has adopted sound corporate and disclosure practices, and is committed to continuously improving those practices and cultivating an ethical corporate culture.

During the six months ended 30 June 2025, the Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). Since Mr. YASUTA Tatsuya retired as a general manager of the Company on 27 June 2024, his duties of general manager are currently performed by Mr. CHEN Daijing, the executive deputy general manager of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND FORMER SUPERVISORS**

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors and supervisors of the Company. All supervisors of the Company have retired from their positions as supervisors on 27 June 2025 following the abolishment of the Company's supervisory committee on the same date. Having made specific enquiry of all directors and former supervisors of the Company, the Company confirmed all directors and former supervisors of the Company have complied with the required standard set out in the Model Code during the six months ended 30 June 2025 (for former supervisors, during the period ended 27 June 2025).



## **INDEPENDENT REVIEW**

The interim results for the six months ended 30 June 2025 are unaudited, but have been reviewed by the auditors of the Company 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 interim results have also been reviewed by the audit committee of the Company.

## **PUBLICATION OF FINANCIAL INFORMATION**

The Company’s 2025 interim report containing all the financial information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.qingling.com.cn](http://www.qingling.com.cn)) in due course.

## **DIRECTORS**

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

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

Chongqing, the PRC, 28 August 2025