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HUAZHONG IN-VEHICLE HOLDINGS COMPANY LIMITED

華眾車載控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6830)

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

FINANCIAL HIGHLIGHTS

- Revenue was approximately RMB955,046,000 for the six months ended 30 June 2025, representing an increase of approximately 23.3% when compared to the six months ended 30 June 2024.
- Profit attributable to owners of the parent amounted to approximately RMB25,891,000 for the six months ended 30 June 2025, representing an increase of approximately 41.9% when compared to the six months ended 30 June 2024.
- Gross profit margin was 27.4% for the six months ended 30 June 2025 (the six months ended 30 June 2024: 29.0%).
- Basic earnings per share attributable to the owners of the parent was approximately RMB1.46 cents for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately RMB1.03 cent).
- The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (the six months ended 30 June 2024: Nil).

UNAUDITED INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Huazhong In-Vehicle Holdings Company Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
REVENUE	5	955,046	774,645
Cost of sales		<u>(693,747)</u>	<u>(549,856)</u>
Gross profit		261,299	224,789
Other income and gains	5	22,984	21,719
Selling and distribution expenses		(71,008)	(58,253)
Administrative expenses		(182,366)	(165,089)
Reversal of impairment/(impairment) of financial assets		1,389	(883)
Other expenses		(2,185)	(393)
Finance income		1,069	1,578
Finance costs		(11,058)	(12,847)
Share of profits and losses of:			
a joint venture		9,555	15,274
an associate		<u>(200)</u>	<u>—</u>
PROFIT BEFORE TAX	6	29,479	25,895
Income tax expense	7	<u>(5,436)</u>	<u>(4,891)</u>
PROFIT FOR THE PERIOD		<u>24,043</u>	<u>21,004</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Continued)

For the six months ended 30 June 2025

		For the six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Attributable to:			
Owners of the parent		25,891	18,240
Non-controlling interests		(1,848)	2,764
		<u>24,043</u>	<u>21,004</u>

EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (expressed in RMB per share)

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Basic and diluted			
— For profit for the period		<u>RMB0.0146</u>	<u>RMB0.0103</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	24,043	21,004
OTHER COMPREHENSIVE LOSS		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent period:		
Exchange differences:		
Exchange differences on translation of foreign operations	(145)	2,892
Net other comprehensive (loss)/income may be reclassified to profit or loss in subsequent periods:	<u>(145)</u>	<u>2,892</u>
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	(8,475)	(53,599)
Income tax effect	<u>2,119</u>	<u>13,400</u>
Net other comprehensive loss that will not be reclassified profit or loss in subsequent periods	<u>(6,356)</u>	<u>(40,199)</u>
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	<u>(6,501)</u>	<u>(37,307)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u>17,542</u>	<u>(16,303)</u>
Attributable to:		
Owners of the parent	19,390	(19,067)
Non-controlling interests	<u>(1,848)</u>	<u>2,764</u>
	<u>17,542</u>	<u>(16,303)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	31 December 2024
	Notes	RMB'000 (Unaudited)	RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	1,036,774	1,023,813
Investment properties		24,154	25,600
Right-of-use assets		253,718	242,849
Intangible assets		11,201	4,940
Investments in a joint venture		135,286	148,385
Investments in an associate		2,189	2,389
Advance payments for property, plant and equipment		95,017	65,082
Equity investments designated at fair value through other comprehensive income		116,581	125,056
Pledged deposits		—	30,000
Deferred tax assets		33,946	31,239
Amounts due from a related party		60,023	60,023
Other non-current assets		825	1,275
Total non-current assets		1,769,714	1,760,651
CURRENT ASSETS			
Inventories		727,138	611,674
Trade and notes receivables	11	876,707	876,828
Financial assets at fair value through profit or loss		9,947	20,000
Prepayments, other receivables and other assets		257,837	259,655
Amounts due from related parties		33,328	45,840
Pledged deposits		99,466	48,717
Cash and cash equivalents		119,821	161,143
Total current assets		2,124,244	2,023,857

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2025

		30 June 2025	31 December 2024
	Note	RMB'000 (Unaudited)	RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and notes payables	12	1,298,238	1,216,348
Other payables and accruals		285,913	292,877
Interest-bearing bank and other borrowings		434,070	256,041
Amounts due to related parties		19,190	16,503
Tax payable		29,118	33,794
		<u>2,066,529</u>	<u>1,815,563</u>
Total current liabilities		<u>2,066,529</u>	<u>1,815,563</u>
NET CURRENT ASSETS			
		<u>57,715</u>	<u>208,294</u>
TOTAL ASSETS LESS			
CURRENT LIABILITIES		<u>1,827,429</u>	<u>1,968,945</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		244,260	358,171
Government grants		16,102	16,405
Deferred tax liabilities		28,472	29,139
		<u>288,834</u>	<u>403,715</u>
Total non-current liabilities		<u>288,834</u>	<u>403,715</u>
Net assets		<u>1,538,595</u>	<u>1,565,230</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2025

	30 June 2025	31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
EQUITY		
Equity attributable to owners of the parent		
Issued capital	142,956	142,956
Reserves	1,260,906	1,245,929
	1,403,862	1,388,885
Non-controlling interests	134,733	176,345
Total equity	1,538,595	1,565,230

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. CORPORATE INFORMATION

Huazhong In-Vehicle Holdings Company Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 3 December 2010. The registered office address of the Company is Cricket Square, Hutchins Drive, PO BOX 2681, Grand Cayman, KY1-1111, Cayman Islands. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 January 2012 (the “**Listing Date**”).

The Company is an investment holding company. During the six months ended 30 June 2025, the Company and its subsidiaries (collectively referred to as the “**Group**”) were involved in the manufacture and sale of internal and external structural and decorative parts of automobiles, moulds and tooling of automobiles, casing and liquid tanks of air-conditioning or heater units and other non-automobile products, such as top cowl covers and office chairs.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The nature and impact of the amended IFRS Accounting Standard are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into one single business unit that is primarily the manufacture and sale of internal and external decorative and structural automobile parts, moulds and tooling, casing and liquid tanks of air conditioning or heater units and other non-automobile products. Management monitors the consolidated results for the purpose of making decisions about resources allocation and the Group's performance assessment. Accordingly, no segment analysis is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Mainland China	918,078	734,408
Overseas	36,968	40,237
	<u>955,046</u>	<u>774,645</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Mainland China	1,532,512	1,518,891
Overseas	26,652	25,442
Total	1,559,164	1,544,333

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

5. REVENUE, OTHER INCOME AND GAINS

The disaggregation of the Group's revenue from contracts with customers, including sales of goods and rendering of services below, for the six months ended 30 June 2025 and 30 June 2024 is as follows:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue from contracts with customers	955,046	774,645
Disaggregated revenue information for revenue from contracts with customers		
<i>Type of goods or service</i>		
Sales of plastic parts and automotive parts	867,017	678,160
Sales of moulds and tooling	88,029	96,485
Total revenue from contracts with customers	955,046	774,645
<i>Geographical markets</i>		
Mainland China	918,078	734,408
Overseas	36,968	40,237
Total revenue from contracts with customers	955,046	774,645
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	955,046	774,645

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Rental income	5,057	2,811
Government grants	7,127	9,687
Management fee	2,649	1,951
Value-added tax preferences	4,274	4,924
Gain on disposal of items of property, plant and equipment	90	240
Gain on sales of scrap materials	659	844
Foreign exchange gain	1,469	137
Others	1,659	1,125
	<hr/>	<hr/>
Total	22,984	21,719
	<hr/> <hr/>	<hr/> <hr/>

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of inventories recognised	693,747	549,856
Depreciation of property, plant and equipment	61,829	55,456
Depreciation of right-of-use assets	10,845	8,730
Depreciation of investment properties	1,446	1,446
Amortisation of intangible assets	299	744
Lease payments under short-term leases	6,653	7,118
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages, salaries and other benefits	177,425	140,104
Rental income, net	(5,057)	(2,811)
Foreign exchange difference, net	(1,469)	(137)
(Reversal of impairment)/impairment of financial assets	(1,389)	883
Write-down of inventories to net realisable value*	3,488	(1,148)
Gain on disposal of items of property, plant and equipment	(90)	(240)

* The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

7. INCOME TAX

The major components of the income tax expense of the Group during the period are analysed as follows:

	For the six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Current income tax		
— Charge for the period	6,166	7,403
Deferred income tax	<u>(730)</u>	<u>(2,512)</u>
Total tax charge for the period	<u>5,436</u>	<u>4,891</u>

8. DIVIDENDS

	For the six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Final declared — HK0.3062 cent per ordinary share (2024: HK0.2717 cent)	<u>5,000</u>	<u>4,360</u>

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

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share for the period is based on the consolidated net profit attributable to owners of the parent and the weighted average number of ordinary shares of 1,769,193,800 outstanding during the six months ended 30 June 2025 (the six months ended 30 June 2024: 1,769,193,800).

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	25,891	18,240
	25,891	18,240
For the six months ended 30 June		
	Number of shares	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	1,769,193,800	1,769,193,800
	1,769,193,800	1,769,193,800

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with a total cost of RMB85,377,000 (the six months ended 30 June 2024: RMB101,639,000). No asset is transferred from investment properties to property, plant and equipment (30 June 2024: Nil).

No asset is transferred from property, plant and equipment to investment properties (30 June 2024: Nil). Assets with a net book value of RMB6,744,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB5,028,000), resulting in a net gain on disposal of RMB90,000 (30 June 2024: net gain on disposal RMB240,000).

11. TRADE AND NOTES RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	716,598	773,395
Notes receivable	245,665	190,378
	962,263	963,773
Impairment of trade receivables	(85,556)	(86,945)
Net carrying amount	876,707	876,828

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	556,549	642,655
3 to 6 months	47,097	29,688
6 months to 1 year	23,022	12,023
Over 1 year	4,374	2,084
Total	631,042	686,450

12. TRADE AND NOTES PAYABLES

An ageing analysis of the trade and bills payables of the Group as at 30 June 2025, based on the invoice date, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 3 months	887,797	825,536
3 to 12 months	395,939	378,355
1 to 2 years	7,528	5,227
2 to 3 years	880	3,518
Over 3 years	6,094	3,712
	<hr/>	<hr/>
Total	<u>1,298,238</u>	<u>1,216,348</u>

Certain bills payable was secured by pledged deposits of the Group with a carrying value of RMB69,277,000 as at 30 June 2025 (31 December 2024: RMB27,990,000).

13. EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 June 2025.

14. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial statements were approved and authorised for issue by the Board on 29 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND MARKET REVIEW

The Group is principally engaged in the manufacture and sale of automotive internal and external structural and decorative parts, moulds and tooling, casings and liquid tanks of air conditioners or heaters and other non-automotive products.

For the six months ended 30 June 2025, the Group's revenue was approximately RMB955,046,000, representing an increase of approximately 23.3% as compared to approximately RMB774,645,000 for the six months ended 30 June 2024. Profit attributable to the owners of the parent for the six months ended 30 June 2025 was approximately RMB25,891,000, representing an increase of approximately 41.9% as compared to RMB18,240,000 for the six months ended 30 June 2024.

FINANCIAL REVIEW

Revenue

The revenue of the Group was primarily derived from five categories of products:

- (i) automotive interior and exterior structural and decorative parts;
- (ii) moulds and tooling;
- (iii) casings and liquid tanks of air conditioners and heaters;
- (iv) non-automotive products; and
- (v) sale of raw materials.

	For the six months ended 30 June			
	2025		2024	
	Revenue	Gross profit	Revenue	Gross profit
	(Unaudited)	margin	(Unaudited)	margin
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Automotive interior and exterior structural and decorative parts	735,473	29.4	543,222	32.2
Moulds and tooling	88,029	19.7	96,485	22.8
Casings and liquid tanks of air conditioners and heaters	59,780	21.4	78,729	20.4
Non-automotive products	20,919	37.8	23,654	38.4
Sale of raw materials	50,845	13.5	32,555	8.4
Total	<u>955,046</u>	<u>27.4</u>	<u>774,645</u>	<u>29.0</u>

For the six months ended 30 June 2025, the revenue generated from automotive interior and exterior structural and decorative parts was approximately RMB735,473,000 (the six months ended 30 June 2024: approximately RMB543,222,000), accounting for approximately 77.0% of the Group's total revenue for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately 70.1%). Gross profit margin decreased from approximately 32.2% for the six months ended 30 June 2024 to approximately 29.4% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, revenue from moulds and tooling was approximately RMB88,029,000 (the six months ended 30 June 2024: approximately RMB96,485,000), accounting for approximately 9.2% of the Group's total revenue for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately 12.5%). Gross profit margin decreased from approximately 22.8% for the six months ended 30 June 2024 to approximately 19.7% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, revenue from casings and liquid tanks of air conditioners and heaters was approximately RMB59,780,000 (the six months ended 30 June 2024: approximately RMB78,729,000), accounting for approximately 6.3% of the Group's total revenue for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately 10.2%). Gross profit margin increased from approximately 20.4% for the six months ended 30 June 2024 to approximately 21.4% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, revenue from non-automotive products was approximately RMB20,919,000 (the six months ended 30 June 2024: approximately RMB23,654,000), accounting for approximately 2.2% of the Group's total revenue for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately 3.1%). Gross profit margin decreased from approximately 38.4% for the six months ended 30 June 2024 to approximately 37.8% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, revenue from sale of raw materials was approximately RMB50,845,000 (the six months ended 30 June 2024: approximately RMB32,555,000), accounting for approximately 5.3% of the Group's total revenue for the six months ended 30 June 2025 (the six months ended 30 June 2024: approximately 4.2%). The gross profit margin increased from approximately 8.4% for the six months ended 30 June 2024 to approximately 13.5% for the six months ended 30 June 2025.

For the six months ended 30 June 2025, the overall gross profit margin decreased to approximately 27.4% (the six months ended 30 June 2024: approximately 29.0%).

Other Income and Gains

Other income and gains of the Group for the six months ended 30 June 2025 amounted to approximately RMB22,984,000 (the six months ended 30 June 2024: approximately RMB21,719,000), representing an increase of approximately 5.8% as compared to the six months ended 30 June 2024.

Selling and Distribution Expenses

The Group's selling and distribution expenses for the six months ended 30 June 2025 amounted to approximately RMB71,008,000, representing an increase of approximately 21.9% as compared to approximately RMB58,253,000 in the six months ended 30 June 2024.

Administrative Expenses

The Group's administrative expenses for the six months ended 30 June 2025 amounted to approximately RMB182,366,000, representing an increase of approximately 10.5% as compared to approximately RMB165,089,000 in the six months ended 30 June 2024. This was mainly attributable to increase of research and development expense during the period.

Share of Profits of a joint venture

During the six months ended 30 June 2025, the Group recorded approximately RMB9,555,000 of the share of profits of a joint venture, while a share of profits of a joint venture of approximately RMB15,274,000 was recorded for the six months ended 30 June 2024.

Finance Income

The Group's finance income decreased by approximately 32.3% from approximately RMB1,578,000 for the six month ended 30 June 2024 to approximately RMB1,069,000 for the six months ended 30 June 2025.

Finance Costs

The Group's finance costs decreased from approximately RMB12,847,000 for the six months ended 30 June 2024 to approximately RMB11,058,000 for the six months ended 30 June 2025, representing an decrease of approximately 13.9%. The decrease in finance costs was mainly due to the decrease of loan interest rate during the six months ended 30 June 2025.

Taxes

The Group's tax expenses increase by approximately 11.1% from approximately RMB4,891,000 for the six months ended 30 June 2024 to approximately RMB5,436,000 for the six months ended 30 June 2025. The increase was mainly due to the decrease of deferred income tax expense in the six months ended 30 June 2025 as compared to the six months ended 30 June 2024.

Liquidity and Financial Resources

For the six months ended 30 June 2025, the net cash flows from operating activities amounted to approximately RMB29,384,000 (the six months ended 30 June 2024: net cash flows from operating activities approximately RMB130,412,000).

The net cash used in investing activities amounted to approximately RMB75,481,000 (the six months ended 30 June 2024: net cash used in investing activities of approximately RMB86,771,000) and the net cash flows from financing activities amounted to approximately RMB4,829,000 (the six months ended 30 June 2024: net cash flows from financing activities of approximately RMB4,141,000). The cash used in investing activities was mainly attributable to the payment for purchase of property, plant and machinery.

As a result of the cumulative effect described above, the Group recorded a net cash outflow of approximately RMB41,268,000 for the six months ended 30 June 2025 (the six months ended 30 June 2024: net cash inflow of approximately RMB47,782,000).

As at 30 June 2025, the Group's cash and cash equivalents (including cash and bank deposits) amounted to approximately RMB119,821,000 (31 December 2024: approximately RMB161,143,000).

As at 30 June 2025, the Group's interest-bearing bank borrowings and other borrowings were approximately RMB678,330,000 (31 December 2024: approximately RMB614,212,000), among of which, approximately RMB434,070,000 would be due within one year (31 December 2024: approximately RMB256,041,000). The borrowings of the Group were subject to interests payable at rates ranging from 2.06% to 4.55% per annum. The Board of the Company expects that the bank borrowings will either be repaid by internally generated funds or rolled over upon maturity and will continue to provide funding to the Group's operations.

Capital Commitments

As at 30 June 2025, the Group had capital commitments amounting to approximately RMB142,462,000 (31 December 2024: approximately RMB118,475,000) for the acquisition of property, plant and equipment.

Foreign Exchange Exposure

The sales and purchases of the Group are mainly denominated in Renminbi ("RMB"). The cash and cash equivalents of the Group are mainly denominated in RMB and Hong Kong dollars. The borrowings are denominated in RMB. Since the Group's exposure to fluctuations in foreign exchange rates was immaterial, the Group has not implemented any foreign currency hedging policy at the moment. However, the management will closely monitor the foreign exchange exposure of the Group and will consider hedging against any foreign exchange risk if such becomes significant to the Group.

Capital Structure

The total number of issued and fully paid ordinary shares of the Company as at 30 June 2025 was 1,769,193,800.

Contingent Liabilities

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

Pledge of Assets

As at 30 June 2025, the Group's assets of approximately RMB101,849,000 (31 December 2024: approximately RMB103,418,000) were pledged to secure some of the Group's interest-bearing bank and other borrowings. The book values of the pledged assets are set out below:

	30 June 2025 (Unaudited) RMB'000	31 December 2024 (Audited) RMB'000
Property, plant and equipment	33,628	34,624
Leasehold land	38,221	38,794
Pledged deposits	30,000	30,000
	<hr/>	<hr/>
Total	101,849	103,418
	<hr/> <hr/>	<hr/> <hr/>

Gearing Ratio

As at 30 June 2025, the Group's gearing ratio was approximately 60.5% (31 December 2024: approximately 58.8%). The gearing ratio is derived by dividing net liabilities (including interest-bearing and other bank borrowings, trade and notes payables, other payables and accruals, and payables to related parties and the ultimate controlling shareholder less cash and cash equivalents) by total capital (including equity attributable to owners of the parent company) plus net liabilities at the end of the period under review.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures and Future Plans for Material Investments or Capital Assets

On 20 February 2025, the Ningbo Huazhong Automotive Decorative Parts Technology Co., Limited* (寧波華眾汽車飾件科技有限公司) (the “**Purchaser**”), a wholly-owned subsidiary of the Company, and the Roekona Textilwerk GmbH & Co. KG (the “**Vendor**”) (was a substantial shareholder of the Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.* (寧波華樂特汽車裝飾布有限公司) (the “**Target Company**”) and a connected person of the Company at the subsidiary level under the Listing Rules) entered into the Share Purchase Agreement, pursuant to which, the Purchaser agreed to purchase, and the Vendor agreed to sell, the Target Equity Interest, representing 15% of the entire issued share capital of the Target Company, for a total consideration of EUR4,500,000 (equivalent to approximately RMB34,290,000).

The Target Company was an indirect non wholly-owned subsidiary of the Company and was owned as to 65% by the Purchaser, 25% by the Vendor and 10% by ZwissTex Germany GmbH.

Upon completion of the Acquisition, the Target Company is held as to 80% and 10% of the total equity interest, respectively, by the Purchaser and the Vendor.

The acquisition increases the Group’s shares in the Target Company from 65% to 80%, giving it greater control to improve decision-making and reduce costs. The deal was approved as fair and reasonable by the board and independent directors, with no conflicts of interest. This move supports the Group’s core business of manufacturing automotive parts in China.

The Vendor sold its 15% equity shares in the Target Company through this transaction, receiving a consideration of EUR4,500,000 (equivalent to approximately RMB34,290,000). As a result, its shareholding decreased from 25% to 10%. This transaction allowed the vendor to partially exit its investment while no longer retaining significant influence over the Target Company. The independent directors have confirmed that the terms of the transaction are fair and reasonable, with no conflicts of interest involving any directors.

Please refer to the announcement published by the Company on 20 February 2025.

Save as disclosed herein, during the six months ended 30 June 2025, the Group did not have any significant investments or material acquisition or disposal of subsidiaries, associates and joint ventures. There was no plan authorised by the Board for any material investments or additions of capital assets as at the date of this announcement.

Employees and Remuneration Policies

As at 30 June 2025, the Group had 3,656 employees (30 June 2024: 3,070). Total staff costs of the Group (excluding Directors' and chief executive's remuneration) for six months ended 30 June 2025 was approximately RMB177,425,000 (the six months ended 30 June 2024: approximately RMB140,104,000). The Group's remuneration policies were in line with relevant legislation, market conditions and the performance of our employees. Share options would be granted to certain eligible persons with outstanding performance and contributions to the Group.

Events After the Reporting Period

There is no material subsequent event undertaken by the Group after 30 June 2025 and up to the date of this announcement.

PROSPECT

From January to June in 2025, the manufacturing and sales volumes of automobiles in China reached 15.62 million and 15.65 million, respectively, with a year-on-year increase of 12.5% and 11.4%, among of which, the manufacturing and sales volumes of new energy automobiles reached 6.97 million and 6.94 million, respectively, with a year-on-year increase of 41.4% and 40.3%, accounted for 44.3% of the market share. China Association of Automobile Manufacturers expects that the total sales volume of new energy vehicles in China will reach 15.6 million in 2025, representing a growth of about 28% as compared with last year.

The Group will actively facilitate its work regarding the deployment of aspects including customers, products and manufacturing to promote overall development. Firstly, we will continue to strive for expanding our cooperation with traditional automotive brands. As we pursue top quality craftsmanship and innovative manufacturing constantly, we will also endeavor to extend the scope of cooperation from traditional automotives to new energy automotives and aim to develop new lightweight products made of new and high-performance plastics together, in substitution for metal automotive parts. Secondly, we will continue to improve our deployment in the new energy market and strengthen our connection with new energy automotive brands. We have successful exploration in the new energy market and has worked with industry leaders in the past. We will fight for more orders and customers on that basis and seek to expand economies of scale. Lastly, we will strengthen our manufacturing deployment comprehensively. We plan to set up new manufacturing facilities in Mexico in order to achieve global business development and compete for orders from overseas manufacturers.

During the coming year, Huazhong In-Vehicle will focus on the improvement of its product mix, to better meet the demand of its automotive brand customers and enhance the cooperation with its customers. We will continue to increase the utilisation rate of our production capacity to maximise the efficiency of mass production; meanwhile, we will strengthen our management on business expenses and take revenue generating and cost control measure, striving for remarkable results of profits during the recovery of the industry.

Forward Looking Statements

This management discussion and analysis contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers including shareholders and investors should be cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward looking statement.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions prescribed in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as the code of the Company.

The Board is of the view that the Company has complied with all applicable code provisions set out in the CG Code throughout the six months ended 30 June 2025, except for the following deviations.

Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. With the support of the company secretary of the Company, the chairman of the Board (the “**Chairman**”) seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and received adequate and reliable information on a timely basis.

Since Mr. Zhou Minfeng now serves as both the Chairman and the chief executive the Company (the “**Chief Executive**”), such practice deviates from code provision C.2.1 of the CG Code. The Board believes that vesting the roles of both the Chairman and the Chief Executive in the same person can facilitate the effective execution of the Group’s business strategies and operation. Furthermore, there are various experienced individuals in charge of the daily business operation and the Board comprises two executive Directors, four non-executive Directors and four independent non-executive Directors, with a balance of skill and experience appropriate for the Group’s further development. The Board will review such deviation from time to time to enhance the best interest of the Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as the code of conduct governing dealings by all the Directors in the securities of the Company. Specific enquiries have been made with all Directors, who have confirmed that, during the six months ended 30 June 2025, they were in compliance with the required provisions set out in the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2025.

INTERIM DIVIDENDS

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) consists of three members, namely Ms. Xu Li (chairman), Mr. Wang Dongchen and Mr. Xu Jiali, all of them were the independent non-executive Directors. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Group.

Disclosure of financial information in this announcement complies with Appendix D2 of the Listing Rules. The Audit Committee has provided supervision over the Group’s financial reporting process. The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the auditing and financial reporting matters, including the review of the interim results of the Group for the six months ended 30 June 2025. The Audit Committee has reviewed the interim results of the Group for the six months ended 30 June 2025 and is of the view that the announcement of interim results for the six months ended 30 June 2025 is prepared in accordance

with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

APPRECIATION

The chairman of the Board would like to take this opportunity to thank his fellow Directors for their invaluable advices and guidance, and to each and everyone of the staff of the Group for their hard work and loyalty to the Group.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.cn-huazhong.com>). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Huazhong In-Vehicle Holdings Company Limited
Zhou Minfeng
Chairman and Chief Executive

Hong Kong, 29 August 2025

As at the date of this announcement, the executive Directors are Mr. Zhou Minfeng and Mr. Liu Genyu; the non-executive Directors are Ms. Lai Cairong, Mr. Guan Xin and Mr. Yu Zhuoping; and the independent non-executive Directors are Ms. Xu Li, Mr. Wang Dongchen and Mr. Xu Jiali.

** For identification purpose only*