



2025

INTERIM REPORT

A LEADER IN INTUITIVE MOTION CONTROL

NEXTEER AUTOMOTIVE GROUP LIMITED
耐世特汽車系統集團有限公司

STOCK CODE: 1316

Incorporated under the laws of the Cayman Islands with limited liability

OUR STRATEGY

FOR PROFITABLE GROWTH



Expand & Diversify
Revenue Base



Strengthen
Technology Leadership



Capitalise on Megatrend
& Portfolio Alignment



Optimise
Cost Structure



Pursue Select
Acquisitions & Alliances



Target China &
Emerging Markets



Contents

Corporate Profile	02
Corporate Information	04
Business Overview	05
Financial Highlights	14
Management Discussion and Analysis	15
Corporate Governance/Other Information	27
Report on Review of Condensed Consolidated Interim Financial Information	33
Condensed Consolidated Interim Balance Sheet	34
Condensed Consolidated Interim Income Statement	36
Condensed Consolidated Interim Statement of Comprehensive Income	37
Condensed Consolidated Interim Statement of Changes in Equity	38
Condensed Consolidated Interim Statement of Cash Flows	39
Notes to the Condensed Consolidated Interim Financial Information	40

Corporate Profile

CORPORATE PROFILE

Nexteer Automotive Group Limited (the **Company**) together with its subsidiaries are collectively referred to as **we, us, our, Nexteer, Nexteer Automotive or the Group**. Nexteer Automotive's vision is to be the global leading motion control technology company accelerating mobility to be safe, green and exciting.

***“ We are the Leading
MOTION CONTROL
TECHNOLOGY COMPANY
Accelerating Mobility to be
SAFE, GREEN & EXCITING.”***

OUR VISION

Our innovative portfolio supports by-wire chassis control, including electric and hydraulic power steering systems, steer-by-wire and rear-wheel steering systems, steering columns and intermediate shafts, driveline systems, software solutions and brake-by-wire. The company solves motion control challenges across all megatrends – including electrification, software/connectivity, advanced driver assistance systems (**ADAS**)/automated driving (**AD**) and shared mobility.

In-house development and full system integration of hardware, software and electronics provides Nexteer a competitive advantage as an agile, full-service supplier to automotive original equipment manufacturers (**OEM**) around the world.

Our ability to seamlessly integrate our systems into OEM vehicles is a testament to our more than 120-year heritage of vehicle integration expertise and product craftsmanship. Our “One Nexteer” culture inspires employees to achieve personal and corporate growth by focusing on our core values across all aspects of the Company: people first, operational excellence and enterprise growth. As One Nexteer, our vision guides us every day, and we’re making it a reality by challenging the impossible and making tomorrow better than today.

We strive to be the partner of choice for our customers and suppliers by delivering highly engineered, safety-critical products and building enduring relationships.

Nexteer provides real-world, vehicle-level solutions by being:

- **Customer-Focused:** Respected and trusted for delivering on commitments.
- **Proactive:** We listen carefully to understand customer needs, requirements and aspirations.
- **Innovative:** A market leader in advanced motion control, including steering, braking, driveline, software and systems integration.
- **Agile:** Able to respond quickly with high-quality, cost-effective solutions.
- **Global:** Committed to exceeding customer and vehicle needs every time, in every customer-targeted market.

GLOBAL FOOTPRINT, PRODUCTS & CUSTOMERS

- **World Headquarters:** Auburn Hills, Michigan, United States of America (**USA or US**)
- **Manufacturing Plants:** 26, including 1 non-consolidated joint venture (**JV**)
- **Technical Centres:** 5
- **Customer Service Centres:** 13
- **Products:** Electric Power Steering (**EPS**), Steer-by-Wire (**SbW**), Rear-Wheel Steering (**RWS**), Brake-by-Wire (**BbW**) Steering Columns and Intermediate Shafts (**CIS**), Driveline Systems (**DL**), Hydraulic Power Steering (**HPS**) and Software Solutions (**SW**)
- **Customers:** Global and domestic OEMs, including BMW Group (**BMW**), BYD Auto Co., Ltd. (**BYD**), Changan Automobile Co., Ltd. (**Changan**), Chery Automobile Co. Ltd. (**Chery**), Ford Motor Company (**Ford**), Guangzhou Automobile Group Co., Ltd. (**GAC**), General Motors Company and Subsidiaries (**GM**), Zhejiang Geely Holding Group Co., Ltd. (**Geely**), Great Wall Motor Company Limited (**GWM**), Lixiang Auto, Inc. (**Li Auto**), Maruti Suzuki India Limited (**Maruti-Suzuki**), Renault-Nissan-Mitsubishi Alliance (**RNM**), SAIC General Motors Co., Ltd. (**SAIC**), SAIC-GM-Wuling Automobile Co., Ltd. (**SGMW**), Stellantis N.V. (**Stellantis**), Volkswagen Group (**VW**), Guangzhou Xiaopeng Motors Technology Co. Ltd. (**XPeng**) and others.



Corporate Information

BOARD OF DIRECTORS

Executive Directors

DING, Fengtao (丁峰濤)

(redesignated from a non-Executive Director to an Executive Director and appointed as Chairman and Chief Executive Officer with effect from August 13, 2025) (Chairman and Chief Executive Officer)

MILAVEC, Robin Zane

Non-Executive Directors

LEI, Zili (雷自力)

(redesignated from an Executive Director to a non-Executive Director and resigned as Chairman and Chief Executive Officer with effect from August 13, 2025)

WANG, Jian (王堅)

(retired with effect from June 18, 2025)

ZHANG, Wendong (張文冬)

QIAO, Kun (喬堃)

Independent Non-Executive Directors

LIU, Jianjun (劉健君)

WANG, Bin (王斌)

YUE, Yun (岳雲)

COMPANY SECRETARY

WU, Guanhua (吳冠華)

AUTHORISED REPRESENTATIVES

DING, Fengtao (丁峰濤)

(appointed with effect from August 13, 2025)

LEI, Zili (雷自力)

(ceased to act with effect from August 13, 2025)

WU, Guanhua (吳冠華)

LEGAL ADVISERS

As to Hong Kong Law

DLA Piper Hong Kong

As to Cayman Islands Law

Maples and Calder

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants and Registered PIE Auditors

AUDIT AND COMPLIANCE COMMITTEE

WANG, Bin (王斌) (Chairman)

QIAO, Kun (喬堃)

YUE, Yun (岳雲)

REMUNERATION AND NOMINATION COMMITTEE

LIU, Jianjun (劉健君) (Chairman)

ZHANG, Wendong (張文冬)

WANG, Bin (王斌)

HEADQUARTERS

1272 Doris Road

Auburn Hills, Michigan 48326, USA

REGISTERED OFFICE

P.O. Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

P.O. Box 1093, Boundary Hall

Cricket Square

Grand Cayman, KY1-1102

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL BANKERS

Bank of America

Bank of China

Bank Pekao SA

China CITIC Bank

China Construction Bank

Comerica Bank

JPMorgan Chase & Co.

PKO Bank Polski SA

Shanghai Pudong Development Bank

Wells Fargo Capital Finance

STOCK CODE

Share Listing

Ordinary Shares

The Stock Exchange of Hong Kong Limited

(the **Hong Kong Stock Exchange**)

(Stock code: 1316)

COMPANY WEBSITE

<http://www.nexteer.com/>

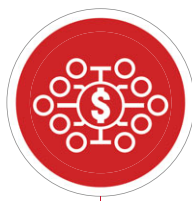
Business Overview

STRATEGY FOR PROFITABLE GROWTH

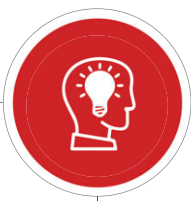
We are committed to our six-point strategy for profitable growth to drive shareholder value and pursue our vision to be the global leading motion control technology company accelerating mobility to be safe, green and exciting.

Our strategy for profitable growth has served as our guidepost through the unprecedented environment we have navigated through over the past several years. This strategy continues to guide our daily decision-making as we move forward by defining and adjusting our business to align with the changing landscape and new challenges within the global automotive industry. We integrate our vision and strategy into our day-to-day operations, and we routinely review our strategic goals.

Strategy for Profitable Growth



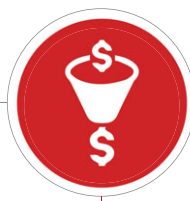
**Expand
& Diversify
Revenue Base**



**Strengthen
Technology
Leadership**



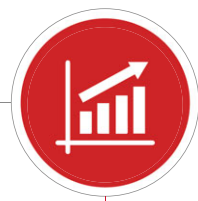
**Capitalise on
Megatrend &
Portfolio Alignment**



**Optimise Cost
Structure**



**Pursue Select
Acquisitions
& Alliances**



**Target China
& Emerging
Markets**

A Well-Defined Plan to Drive Stakeholder Value

Business Overview

FIRST HALF 2025 BUSINESS HIGHLIGHTS

The following highlights demonstrate Nexteer's focus on delivering long-term profitable growth:

- **Half-year revenue of US\$2.2 billion is a 7% improvement compared to first half of 2024**
 - o Continued above market revenue growth driven by strong new and conquest bookings over the past several years
 - o On-track to post record revenue for the full year of 2025
 - o Maintaining momentum as a steering market leader in China among China-based OEMs (**COEMs**)
- **Achieved customer program Bookings totaling US\$1.5 billion for first half of 2025**
 - o 74% represented new/conquest business, including Power Columns on a North America full size truck platform, an EPS program with a European-based OEM, as well as business expansion into Indonesia and Brazil with a leading COEM
 - o 26% represented incumbent business
- **Continued growth momentum with COEMs:** Out of the total first half 2025 bookings of US\$1.5 billion, approximately US\$0.6 billion, or 39%, was generated by our COEMs' business
 - o China bookings showcased wins on China NEV platforms, and continued product expansion for the region including, Nexteer's first RWS bookings, and continued Dual Pinion-Assist EPS (**DPEPS**) and Rack-Assist EPS (**REPS**) bookings
- **Successfully launched 31 new customer programmes across all regions** – marking another period of solid programme launches
 - o 23 of these customer programmes represented new or conquest business and 21 represented 100% EV launches supported by our products
 - o Launched first DPEPS program in China
 - o Launched first Modular Column-Assist EPS program in Europe
 - o Sustained growth in new program launches with leading COEMs

Business Overview

- **Footprint expansion:** Nexteer expands its production capability and capacity in China further strengthening the Company's leading position in Asia Pacific's steering market with the opening of its new Changshu facility, and expanding smart manufacturing in Liuzhou, China
- **Announced multiple product innovations,** including Nexteer's MotionIQ™ Software Suite, a BbW technology, RWS system, High-Output Column-EPS (**HO CEPS**), and several advancements in Driveline technologies
- **Enhancing operating profit and free cash flow** via inventory management, optimizing capital allocation to align with strategic priorities and improved margins through manufacturing efficiency and material cost improvement

DRIVING VALUE IN DYNAMIC MARKETS: UPDATE ON BUILDING-IN PROFITABILITY, RESILIENCY & AGILITY

In the first half of 2025, the global automotive industry navigated a complex and evolving landscape marked by geopolitical tensions, shifting trade policies, and varied approaches to electrification region-by-region. Global production volumes increased by 3.1% in the first half of 2025; however, S&P Global Mobility forecasts a decline in the second half of the year resulting in a 0.4% increase for the full year of 2025 (per July 2025 forecast). The forecast is driven by stagnation in mature markets such as North America and Europe, while production increases shifted toward growth regions such as China, Southeast Asia, and South America.

Amid these global dynamics in the first half of 2025, Nexteer remained proactive in anticipating and adapting to market shifts, technology trends, and customer needs to maximize growth opportunities as well as cost and time efficiencies. We focused on delivering above-market revenue growth thanks to our robust product portfolio, strategic investments, commitment to operational excellence, as well as strong new and conquest business wins over the past several years.

We also remained vigilant and committed to strengthening Nexteer's resiliency, profitability, and competitiveness, including:

Tariff Resource Planning and Recovery: In the first half of 2025, we made significant supply chain adjustments to comply with USMCA regulations, enhance resource planning between the US and China, and implement dual sourcing strategies. These strategic actions have enabled a substantial progress in customer negotiations aimed at cost recovery, while our team continues to demonstrate agility and resilience in navigating these challenges. Efforts remain ongoing to mitigate risks and drive recovery, reinforcing our commitment to operational stability and long-term success.

Reducing Fixed Costs: We are actively identifying and implementing cost optimization initiatives across our global operations to enhance resource efficiency and maximize value. Our approach includes aligning our fixed cost structure with current and anticipated business needs. As part of this effort, we are leveraging our Mexico and Asia Pacific Technical Centres through workforce rotation strategies to ensure optimal utilisation of our global resources.

Business Overview

Leveraging Our Global Supply Chain: Nexteer partners with our global supply chain and is actively implementing the following strategies to provide seamless supply continuity to our customers and ensuring profitable growth to maintain shareholder value:

- **Dual Sourcing:** Mitigate risk and ensure supply continuity for critical components
- **Cost Targets and Contractual Annual Price Reductions (APRs):** Work with suppliers to achieve target costs, secure APRs as part of contractual agreements
- **Digitalising Global Supply Chain Management:** Digitalise processes to enhance efficiency, transparency and responsiveness

In addition to these specific examples, we continue to relentlessly investigate many other areas where we can take action to enhance profitability and drive shareholder value.

Despite ongoing industry volatility, we remain confident in an improving operating environment ahead. The Company is well positioned to sustain above-market growth by leveraging our technology leadership and strong alignment with industry megatrends.

Optimising Footprint for Efficiencies and Aligning with Market Growth Needs: In addition to reducing fixed costs, we continuously look for ways to improve efficiencies in our footprint and processes, as well as support current and future market growth opportunities.

A few examples follow:

- **Changshu Manufacturing and Testing Facility Grand Opening:** Nexteer's state-of-the-art Changshu facility opened January 2025 and enhances the Company's ability to meet growing COEM demand while aligning with China's New Quality Productive Forces initiative, which emphasizes high-end, intelligent, and sustainable manufacturing. This expansion reinforces Nexteer's commitment to advancing mobility solutions in step with local economic and technological development priorities.
- **Liuzhou Facility Expansion Groundbreaking:** Nexteer held a groundbreaking ceremony for its new smart manufacturing facility in Liuzhou, China. The facility will replace the existing operation in Liuzhou and increase production capacity. This strategic expansion will strengthen our leadership position in Asia Pacific's steering market and help Nexteer meet rising demand for advanced steering and motion control technologies for both domestic and global OEMs.
- **Saginaw, US Site Transformation:** Nexteer has taken significant steps to transform the Saginaw, US site. Finished consolidation of DL operations from two plants into one during the first quarter of 2024. The vacant plant has been listed for sale in the first half of 2025. The transfer of the column operations from the US to Mexico is nearing completion. These measures have optimized floor space and reduced costs by relocating and integrating outside warehousing and labs into the Saginaw, US campus. Ongoing progress to streamline operations and to strategically allocate resources have maintained our leadership in innovation and manufacturing excellence at the US site.

Business Overview

Global Supplier Conference 2025: In April 2025, Nexteer Automotive hosted its Global Supplier Conference in Changshu, China, bringing together approximately 200 supplier representatives and government dignitaries to strengthen agility, resilience, and sustainability across our supply chain. Timed alongside Auto Shanghai 2025, the event emphasized accelerated go-to-market innovation, collaboration to improve cost and time efficiencies, and a continued focus on safety-critical quality. The conference also highlighted the January 2025 opening of Nexteer's new, state-of-the-art facility in Changshu. In addition, the event featured discussions on key industry megatrends, digitalization, and evolving market dynamics.

Our "think global and act local" approach to our Global Supplier Conference adds significant value to our global supply base and enhances region-specific business insights. Furthermore, this forum enables direct interaction with our broad cross-functional teams, deepening collaboration and understanding necessary for shared success. Strategic topics covered in the 2025 conference included:

- **Quality First:** A relentless focus on safety-critical quality remains the foundation of Nexteer's products, processes, and partnerships.
- **Embracing Change:** Nexteer is prepared to navigate an uncertain and increasingly demanding environment by strengthening agility, resilience, and sustainability.
- **Partner Alignment:** Achieving Nexteer's long-term vision requires supplier and partner focus on vision, velocity, and value.

FIRST HALF 2025 BOOKINGS: ALIGNED FOR CONTINUED GROWTH

We calculate our revenue bookings (**Bookings**) as the total value of lifetime revenue related to future programmes awarded during the period. A significant factor and input into the calculation of Nexteer's Bookings is forward year OEM production forecasts for awarded customer programmes. In determining forward year OEM production expectations, Nexteer considers reputable third-party automotive production forecasts, customer expectations and internal industry knowledge given past and current trends.

In the first half of the year, we achieved notable progress in securing bookings in China, with significant wins on NEV platforms. Furthermore, we expanded our product portfolio within the region, including securing Nexteer's first RWS bookings in China and Europe, Middle East, Africa and South America (EMEASA), as well as continuing to secure DPEPS and REPS bookings. The high demand for Nexteer's technology positions us to consistently grow our revenue beyond market levels. Our alignment with megatrends, coupled with our diverse customer base, product offerings, and market presence, strategically places us to pursue new levels of revenue growth.

In the first half of 2025, Nexteer achieved customer programme Bookings totaling US\$1.5 billion. During this period, 69% of Nexteer's bookings were with our EPS product line, 23% were with our CIS product line and 8% were on our Driveline product line, 39% will be on fully EV or EV/internal combustion vehicle (**ICE**) split platforms, while 61% are dedicated ICE platforms. 74% of these bookings represent new/conquest business, which provides longer term growth over market for Nexteer.

Business Overview

COEM Expansion: In the first half of 2025, Nexteer continued to build upon its impressive momentum with leading COEMs both domestically in China as well as in support of their globalisation strategies covering both export and localisation. Nexteer's growth among our COEM customer portfolio represents \$0.6 billion in bookings for the first half of 2025.

COEMs continue to grow within and beyond China borders. Overall COEMs' production volumes first half of 2025 versus first half of 2024 grew by 21.7% (1.9 million units); BYD, Chery, Geely, Changan, and SGMW were main drivers of production growth and further buoyed by export.

Bookings is not a measure defined by IFRS Accounting Standards as issued by the International Accounting Standards Board, and our methodology for determining Bookings may not be comparable to the methodology used by other companies in determining the value of their bookings. Assumptions relative to estimated lifetime programme volumes and contract performance remain unchanged from our disclosures in prior periods. Any modification, suspension or cancellation of the contracts related to prior year Bookings by the Group's customers may have a substantial and immediate effect on our ability to actually generate and realise future revenue from these Bookings. While we believe that our current Bookings is a relevant financial metric, we must emphasise that the information set out in this section shall not constitute any forecast or prediction of the revenue and profits of the Group and the actual future value may differ from the estimated Bookings due to various factors beyond the Group's control.

NEXTEER SHOWCASES FUTURE OF MOTION CONTROL AT AUTO SHANGHAI 2025

At Auto Shanghai 2025, Nexteer showcased its latest motion control innovations under the theme "Pioneering Motion Control Globally at China Speed – Vision, Velocity, and Value." The event highlighted Nexteer's commitment to advancing next-generation mobility solutions.

Nexteer's international press conference and exhibit featured six interactive zones, offering visitors a firsthand experience of cutting-edge technologies. These included Steer-by-Wire, Rear-Wheel Steering, and the public debut of Nexteer's Electro-Mechanical Brake-by-Wire system, a key addition to its growing Motion-by-Wire™ portfolio. Visitors engaged with interactive driving simulations and viewed demonstrations of software-defined chassis capabilities, high-efficiency driveline systems, and next-generation steering solutions.

Nexteer also engaged select OEMs in private sessions within its Pioneer Lab, where collaborative discussions centered around future innovation and strategic partnership opportunities.

Nexteer's participation in Auto Shanghai 2025 reinforced its role as a trusted partner to global and Chinese automakers to help OEMs bring advanced, high-quality technologies to market quickly and efficiently in an increasingly competitive mobility landscape.

PRODUCT INNOVATION ANNOUNCEMENTS ALIGNED WITH INDUSTRY MEGATRENDS

In the first half of 2025, we introduced several new technologies and product advancements that align with evolving customer needs and industry megatrends, including:

NEW MotionIQ™ Software Suite Announcement for Intelligent Motion Control

Nexteer recently announced MotionIQ™, intelligent software that streamlines by-wire chassis control, development and vehicle health-monitoring workflows into a single suite. Engineered on proven algorithms deployed in over 115 million vehicles worldwide, MotionIQ/Control™, MotionIQ/Dev™ and MotionIQ/Health™ delivers precise motion control, accelerated development and advanced predictive maintenance, helping OEMs get to market faster while enhancing quality and cost efficiencies. As OEMs look to develop software-defined vehicles, our agile, flexible approach adapts to customers' software strategies, ensuring seamless collaboration and tailored solutions that align with their unique development goals.

The following products made their public debut at Auto Shanghai 2025:

- **New Brake-by-Wire System Extends Motion-by-Wire™ Leadership:** Nexteer has strategically expanded into Motion-by-Wire chassis control with the launch of our new Electro-Mechanical Braking system. This Brake-by-Wire innovation leverages our award-winning SbW foundation, along with deep expertise in software and system integration, to deliver a modular, high-precision digital braking solution. The EMB system enhances vehicle safety, control, and energy efficiency – strengthening Nexteer's position as a leader in next-generation motion control technologies.
- **Reentry of Rear-Wheel Steering Technology for Enhanced Maneuverability and Integration:** Nexteer introduced its new RWS system, engineered to improve vehicle maneuverability, stability, and safety – particularly for trucks, SUVs and EVs with longer wheelbases. This cost-effective and lightweight solution enables up to 12 degrees of rear-wheel articulation, enhancing low-speed handling and high-speed control while reducing driver fatigue. Nexteer secured two production contracts with a leading COEM, with volume production scheduled to begin in 2026. An additional booking was secured in our EMEASA Division with a leading global OEM. This launch reflects Nexteer's continued leadership in motion control solutions tailored for heavier vehicles and the evolving demands of global mobility.
- **Expands Portfolio With HO CEPS, Comprehensive High Output Steering Suite Helps OEMs Balance Performance, Price, and Speed:** Nexteer expanded its industry-leading steering portfolio with the launch of HO CEPS. This innovation increases steering assist capability up to 110 Nm, enabling Column-Assist Electric Power Steering to support larger and heavier vehicles traditionally served by Dual Pinion or entry-level REPS systems. It enhances vehicle platform flexibility while meeting diverse global performance and pricing requirements.

The launch complements Nexteer's broader High Output EPS suite, which includes HO Single Pinion, Dual Pinion, and REPS systems. These solutions, alongside Nexteer's modular EPS architecture, High Availability systems for automated driving, and advanced Steer-by-Wire technologies, give OEMs unparalleled options to tailor steering performance, scalability, and integration speed across global vehicle segments.

Business Overview

- **Debuts Driveline Innovations, Expands Portfolio, Optimises Premium Ride and Lightweighting, Noise, Vibration, and Harshness (NVH), Durability, Efficiency:** Nexteer showcased a suite of Driveline technologies engineered to meet the evolving demands of electric and mixed-propulsion vehicles. The launch includes three advanced solutions: Face Spline Axle, 8-Ball Joint, and Premium Double Offset Joint, focused on reducing weight, enhancing NVH performance, and improving long-term durability. Nexteer also expanded its Cross-Glide Joint portfolio to support broader vehicle applications.

These innovations directly address key challenges in EV driveline design, such as higher torque loads and heightened sensitivity to vibration and sound. They deliver measurable benefits including improved energy efficiency, smoother ride quality, and versatile packaging for OEMs across global platforms.

DEMONSTRATED LEADERSHIP VIA TECHNOLOGY DEMONSTRATIONS, SPEAKING ENGAGEMENTS

In the first half of 2025, Nexteer's thought leaders continued to be sought after speakers at high-profile, industry events around the world to discuss the challenges, opportunities, and solutions related to mobility megatrends and motion control technology.

Following are examples of events in the first half of 2025 that featured Nexteer's experts:

- Mexico International Automotive Summit (Mexico)
- ChassisTech Plus 2025 (Germany)
- Automotive Chassis Systems USA 2025 (US)

CUSTOMER & INDUSTRY RECOGNITION

In the first half of 2025, Nexteer was honored for quality, excellence and exceptional customer relationships:

- Great Place to Work Certified (Germany, France, Italy, Brazil, Morocco)
- I&CIM's Fast World Cup Award for Nexteer Suzhou (China)
- GAC Group's Excellent Supplier Award for Nexteer Liuzhou (China)
- Liudong New District Government's High Quality Development Excellent Enterprise for Nexteer Liuzhou (China)
- Mahindra's Supplier Excellence Award for Nexteer Pune (India)
- SGMW's Excellent KD Supplier Award for Nexteer Liuzhou (China)
- Zeekr's Excellent Supplier Award for Nexteer Suzhou (China)
- SGMW's Excellent Supplier Award for Nexteer Liuzhou (China)
- Quality Circle Forum of India's Quality Award for Nexteer Chennai (India)
- Lynk & Co's Excellent Supplier Award for Nexteer Wuhu (China)
- SGM's Quality Pioneer Award for Nexteer Wuhu (China)
- SGM's Supplier Quality Excellence Award for Nexteer Wuhu (China)
- Nissan's 2024 NCIC Supplier Quality Excellence Award for Nexteer Wuhu (China)

Nexteer not only wins industry awards and recognition, but we also help our customers win awards too, including:

2025 North American Truck of the Year™ Ford Ranger featuring Nexteer's Column, Intermediate Shaft, and REPS System:

- Columns and Intermediate Shafts: Deliver precise, responsive steering; connects the steering wheel (also referred to as a handwheel) to the steering system and transfers driver input torque to control lateral motion.
- REPS System: Engineered for heavier vehicles – handles higher front-axle loads and optimizes packaging space.

Financial Highlights

Results (US'\$000)	For the six months ended June 30, 2025 (Unaudited)	For the six months ended June 30, 2024 (Unaudited)	Change
Revenue	2,242,248	2,098,927	6.8%
Gross profit	258,907	210,927	22.7%
Profit before income tax	95,681	40,790	134.6%
Income tax expense	26,667	17,729	50.4%
Profit attributable to equity holders of the Company	63,480	15,695	304.5%
Profit for the period	69,014	23,061	199.3%
Adjusted EBITDA	230,353	197,295	16.8%

Assets and Liabilities (US'\$000)	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)	Change
Non-current assets	1,811,366	1,794,818	0.9%
Current assets	1,805,185	1,684,324	7.2%
Non-current liabilities	323,213	296,861	8.9%
Current liabilities	1,185,107	1,152,380	2.8%
Capital and reserves attributable to the Company's equity holders	2,066,776	1,978,877	4.4%

These financial highlights should be read in conjunction with the Group's unaudited Condensed Consolidated Interim Financial Information for the six months ended June 30, 2025 (the **Condensed Financial Information**).

Management Discussion and Analysis

The following management discussion and analysis should be read in conjunction with the unaudited Condensed Financial Information, included herein, which have been prepared in accordance with International Accounting Standards IAS 34 “Interim Financial Reporting”.

FINANCIAL REVIEW

Financial Summary

The Group achieved revenue of US\$2.2 billion in the first six months of 2025 representing a US\$143.3 million or 6.8% increase compared to the same period in 2024. Adjusting for unfavorable foreign currency translation and a decrease in commodity recovery, revenue grew by 7.6%, or 450 basis points over market. Asia Pacific was the driver with revenue increasing 15.5% which is above the market by 8.7% primarily due to continued growth with the China OEMs.

Adjusted EBITDA for the first six months of 2025 was US\$230.4 million, an increase of US\$33.1 million or 16.8% compared to the same period in 2024. The improved profitability was driven mainly due to higher volumes, enhanced efficiency and performance, partially offset by net tariff costs and two troubled suppliers in North America.

The Group’s cash balance of US\$459.2 million at June 30, 2025 represented an increase of US\$36.9 million when compared with US\$422.3 million as at December 31, 2024. For the six months ended June 30, 2025, the Group’s net cash generated from operating activities was US\$142.3 million, a decrease of US\$10.1 million compared with US\$152.4 million for the same period of 2024. Cash from operating activities less cash used in investing activities was a source of US\$36.7 million which compared favourably to a use of US\$2.3 million in the same period of 2024. The improved cash flow is related to higher earnings and reduced purchases of property, plant and equipment, which was partially offset by working capital investment. Cash used in financing activities during the six months ended June 30, 2025 was US\$11.7 million, a decrease of US\$8.0 million, when compared with a use of cash of US\$19.7 million during the six months ended June 30, 2024. The main driver of the Group’s favourability in cash used in financing activities was a dividend of US\$6.3 million paid to our non-controlling interests in 2024.

Operating Environment

The global automotive market has a direct impact on our business and operating results. Factors affecting the industry include macroeconomic influences such as consumer confidence, fluctuations in commodity prices, currency, fuel prices and regulatory environments. The ability to secure material and components from our supply base is also critical. The Group operates primarily in the US, Mexico, China, Poland, India, Morocco and Brazil.

According to S&P Global Mobility (July 2025), global OEM light vehicle production for the six months ended June 30, 2025 was stronger than the six months ended June 30, 2024, increasing by 3.1%, with increases in Asia Pacific and South American more than offsetting the reductions in North America and Europe. The following table highlights the percentage increases in OEM light vehicle production for the six months ended June 30, 2025 compared with the same period in 2024 for key markets served by the Group:

First Half 2025	
North America	(4.2%)
China	12.3%
India	3.7%
Europe	(3.7%)
South America	8.9%

Management Discussion and Analysis

The Group conducts its business from a global operating footprint to service its broad customer base and, accordingly, the financial results of the business are impacted by changes in foreign currencies measured against the US dollar, principally the European euro (**Euro**), Chinese Renminbi (**RMB**), and Mexican Peso (**MXN**). The Group's revenue was unfavourably impacted due to US dollar fluctuations against the RMB and Euro during the first half of 2025.

During the first six months of 2025, the Group successfully launched 31 new customer programmes – 3 programmes in North America, 4 programme in EMEASA and 24 programmes in Asia Pacific. Of the 31 programme launches, 23 represented new or conquest business for the Group and 8 represented incumbent business. 21 programme launches represented customer 100% EV programmes.

Revenue

The Group's revenue for the six months ended June 30, 2025 was US\$2,242.2 million, an increase of US\$143.3 million or 6.8%, compared with US\$2,098.9 million for the six months ended June 30, 2024. In addition to higher global OEM light vehicle production, significant new and conquest programme launches over the past few years also helped provide additional net increase of volume in the first half of 2025 when compared with 2024. The favourable volume during the period, was partially offset by unfavourable foreign currency translation, which negatively impacted the Group's revenue by approximately US\$13.0 million, as a result of the strengthening of the US dollar against the RMB during the first half of 2025 compared with the same period a year ago. Customer price reductions, resulting from the partial pass through of raw material commodity decreases during the first half of 2025 in comparison to the first half of 2024, provided a further reduction of revenue in the amount of US\$2.4 million. Adjusting for unfavourable foreign currency translation and the decline in commodity pricing, the Group's revenue increased by 7.6% during first half of 2025 compared with the same period a year ago, outpacing the revenue decrease in OEM production for the comparative period by 450 basis points. This performance reflected the on-going benefit from the launch of new and conquest customer programmes in recent years.

We measure the results of our operations by geographic segment regions. The change in revenue is analysed by volume, mix, price and foreign currency translation impact. Volume measure changes are driven by the volume of products sold and mix changes are driven by the type of products sold. Price measures the impact of changes within the pricing structure of each product sold. The impact of foreign currency translation is measured by the changes in foreign currencies measured against the US dollar.

Management Discussion and Analysis

Revenue by Geographical Segments

The following table sets forth revenue by geographic segments for the periods indicated:

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	US\$'000 (Unaudited)	%	US\$'000 (Unaudited)	%
North America	1,138,304	50.8	1,118,983	53.3
Asia Pacific	686,533	30.6	594,578	28.3
EMEASA	400,851	17.9	366,348	17.5
Other	16,560	0.7	19,018	0.9
Total	2,242,248	100.0	2,098,927	100.0

The changes in revenue by geographical segments are primarily due to the following:

- North America segment – Revenue increased by US\$19.3 million, or 1.7%, for the six months ended June 30, 2025 compared with the same period in 2024. The most significant factor contributing to the revenue increase was due to Nexteer customer programs outperformance in the market. Despite a decrease in North America OEM light vehicle production for the first half of 2025 by 4.2% compared with the same period in 2024, the North America segment experienced a revenue growth of 2%. The segment was also impacted by customer price reductions related to raw material commodity inflation price decreases, amounting to US\$2.7 million in the first half of 2025 compared to the same period in 2024.
- Asia Pacific segment – Revenue increased by US\$92.0 million, or 15.5%, for the six months ended June 30, 2025 compared with the same period in 2024. The most significant factor contributing to the revenue was due to the significant new and conquest programme launches over the past few years. Increased OEM light vehicle production also contributed to revenue growth, with total Asia Pacific OEM production volumes higher by 8% including China higher by 12.3% for the first half of 2025 compared with the same period in 2024. Unfavourable foreign currency translation tempered the revenue growth in the region in the amount of US\$7.4 million as the US dollar strengthened against the RMB during the first half of 2025 compared with the same period in 2024. Adjusting for unfavourable foreign currency translation and the decline in commodity pricing, the segment's revenue increased by 16.7% during first half of 2025 compared with the same period a year ago, outpacing the regional revenue increase in OEM production for the comparative period by 870 basis points.

Management Discussion and Analysis

- EMEASA segment – Revenue increased by US\$34.5 million, or 9.4%, for the six months ended June 30, 2025 compared with the same period in 2024, impacted by a 3.7% decrease in Europe but a 8.9% increase in South America OEM light vehicle production, during the first half of 2025 compared with the same period in 2024. The Brazil flood impacted our operations causing revenue loss of US\$10.0 million in the first half of 2024 also contributed to this year over year increase in addition to increased revenue due to program launches in Europe. Unfavorable foreign currency translation impacted revenue in the region in the amount of US\$5.6 million as the US dollars strengthened against the Euro during the first half of 2025 compared with the same period in 2024. Adjusting for unfavourable foreign currency translation and the slight increase in commodity pricing, the segment's revenue increased by 10.8% during the first half of 2025 compared with the same period a year ago, outpacing the regional revenue decrease in OEM production for the comparative period by 1,330 basis points.
- Other – Revenue decreased by US\$2.5 million, for the six months ended June 30, 2025 compared with the same period in 2024. Other revenue is related to non-production engineering design and development/prototype services.

Revenue by Products

The following table sets forth the Group's revenue by product lines for the periods indicated:

	For the six months ended June 30, 2025		For the six months ended June 30, 2024	
	US\$'000 (Unaudited)	%	US\$'000 (Unaudited)	%
EPS	1,525,379	68.0	1,404,555	66.9
CIS	228,499	10.2	221,999	10.6
HPS	91,624	4.1	90,129	4.3
DL	396,746	17.7	382,244	18.2
Total	2,242,248	100.0	2,098,927	100.0

The Group experienced an increase in EPS revenue of US\$120.8 million, or 8.6%, for the six months ended June 30, 2025 compared with the same period in 2024, driven mainly by the customer demand increase in Asia Pacific. CIS revenue increased by US\$6.5 million, or 2.9%, for the six months ended June 30, 2025 compared with the same period a year ago, with the most significant increase experienced in the North America segment. HPS revenue increased by US\$1.5 million, or 1.7%, for the six months ended June 30, 2025 compared with the same period of 2024. DL revenue increased by US\$14.5 million, or 3.8%, for the six months ended June 30, 2025 compared with the same period last year.

Management Discussion and Analysis

Net Profit Attributable to Equity Holders

The Group's net profit attributable to equity holders of the Company for the six months ended June 30, 2025 was US\$63.5 million or 2.8% of total revenue, an increase of US\$47.8 million, compared to a profit for the six months ended June 30, 2024 of US\$15.7 million, or 0.7% of total revenue. The increase was principally attributable to the following factors:

- EBITDA improvement of US\$33.1 million.
- Product development Intangible asset impairments during the first half of 2024 totalling US\$37.7 million related to programme cancellations on specific customer programs, offset by customer reimbursement of US\$24.0 million.

Cost of Sales

The Group's cost of sales for the six months ended June 30, 2025 was US\$1,983.3 million, an increase of US\$95.3 million, or 5.0%, from US\$1,888.0 million for the six months ended June 30, 2024.

Raw material costs, including changes in work-in-progress and finished goods represent a significant portion of the Group's total cost of sales and for the six months ended June 30, 2025 totaled US\$1,479.6 million, or 66.0% of revenue, compared with US\$1,339.2 million, or 63.8% of revenue, for the same period last year, reflecting an increase of US\$140.4 million, or 10.5%. The increase in raw material costs for the period when compared with the same period a year ago, is mainly attributable to higher revenue and tariff cost increases.

Depreciation and amortisation, including amortisation of capitalised product development costs, charged to cost of sales for the six months ended June 30, 2025 was US\$128.2 million, a decrease of US\$3.3 million, or 2.5% from US\$131.5 million for the six months ended June 30, 2024.

Amortisation of capitalised product development costs recorded as cost of sales amounted to US\$60.8 million for the six months ended June 30, 2025, or 2.7% of revenue, an increase of US\$0.7 million, or 1.2%, as compared with US\$60.1 million, or 2.9% of revenue for the six months ended June 30, 2024.

As a percent of revenue, cost of sales decreased to 88.5% for the first half of 2025 compared with 90.0% for the same period a year ago.

Gross Profit

The Group's gross profit for the six months ended June 30, 2025 was US\$258.9 million, an increase of US\$48.0 million, or 22.7%, when compared with US\$210.9 million for the six months ended June 30, 2024. Gross profit margin for the six months ended June 30, 2025 was 11.5% compared with 10.0% for the six months ended June 30, 2024. The increase in gross profit was primarily attributable to the increase in revenue and improved operating performance.

Management Discussion and Analysis

Engineering and Product Development Costs

For the six months ended June 30, 2025, the Group's engineering and product development costs charged to the income statement were US\$75.4 million, representing 3.4% of revenue, a decrease of US\$13.2 million, or 14.9%, as compared to US\$88.6 million, or 4.2% of revenue for the six months ended June 30, 2024. During the six months ended June 30, 2025, the Group recorded product development intangible asset impairments of US\$1.6 million related to programme cancellations on specific customer programmes, with US\$0.8 million recorded in the North America segment, US\$0.3 million recorded in the Asia Pacific segment and US\$0.5 million recorded in the Others segment.

During the six months ended June 30, 2024, the Group recorded product development intangible asset impairments of US\$7.3 million related to programme cancellations on specific customer programmes, with US\$5.7 million recorded in the North America segment and US\$1.6 million recorded in the Asia Pacific segment.

Capitalised interest related to engineering development costs totaled US\$2.0 million for the six months ended June 30, 2025 and US\$3.4 million for the six months ended June 30, 2024. Depreciation and amortisation charged to engineering and product development costs for the six months ended June 30, 2025 was US\$6.3 million, a decrease of US\$0.6 million, or 8.7%, from US\$6.9 million for the six months ended June 30, 2024.

The Group's aggregate investment in engineering and product development costs is defined as the sum of costs charged to the condensed consolidated interim income statement (excluding impairment charges associated with costs capitalised in previous periods) and total costs capitalised as intangible assets during the current period which will be amortised in future periods upon launch and start of production of related customer programmes currently in development. For the six months ended June 30, 2025, the Group incurred an aggregate investment in engineering and product development costs of US\$129.3 million, a decrease of US\$6.1 million, or 4.5%, compared with US\$135.4 million for the six months ended June 30, 2024.

Selling, Distribution and General and Administrative Expenses

The Group's selling, distribution and general and administrative expenses for the six months ended June 30, 2025 were US\$92.2 million, representing 4.1% of revenue, an increase of US\$9.8 million, or 11.9%, as compared to US\$82.4 million, or 3.9% of revenue for the six months ended June 30, 2024. Depreciation and amortisation charged to administrative expenses for the six months ended June 30, 2025 was US\$3.8 million, a decrease of US\$0.1 million, or 2.6% from US\$3.9 million for the six months ended June 30, 2024.

Other Gains, net

Other gains, net represents gains/losses attributable to foreign exchange transactions, loss/gain on disposal of property, plant and equipment and others. Other gains, net for the six months ended June 30, 2025 was a gain of US\$1.8 million, an increase of US\$0.4 million compared to a gain of US\$1.4 million for the six months ended June 30, 2024. All attributes of other gains/losses were mainly consistent year over year.

Finance Income/Finance Costs

Finance costs, net, consist of interest income and expense reduced by interest capitalised on qualifying assets and product development. The Group's net finance income for the six months ended June 30, 2025 were US\$0.8 million, compared to net finance costs of US\$2.2 million for the six months ended June 30, 2024. The decrease in finance costs was primarily due to fluctuation in short term borrowings for the six months ended June 30, 2025, when compared to same period of 2024.

Management Discussion and Analysis

Share of Results of a Joint Venture

Share of results of a joint venture relates to the Group's investments in Chongqing Nexteer Steering Systems Co., Ltd. (**Chongqing Nexteer**). For the six months ended June 30, 2025, the Group's share of results in the joint venture amounted to US\$1.8 million compared with US\$1.7 million for the same period a year ago.

Income Tax Expense

The Group's income tax expense was US\$26.7 million for the six months ended June 30, 2025, representing 27.9% of the Group's profit before tax, an increase of US\$8.9 million from US\$17.7 million, or 43.5% of profit before income tax, for the six months ended June 30, 2024.

The Organization for Economic Cooperation and Development has agreed to enact Pillar Two legislation. Pillar Two framework aims to ensure that certain multi-national enterprises (**MNEs**) pay a minimum tax rate on income within each jurisdiction in which they operate. Generally, the framework imposes a tax on profits arising in jurisdictions where the effective tax rate (**ETR**) is below 15%.

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions in which the Group operates. The legislation became effective for the Group's financial year beginning January 1, 2024 for certain jurisdictions, and took effect on January 1, 2025 for the Group's remaining jurisdictions.

The Group is in scope of Pillar Two legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the most recent country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates meet the transitional safe harbor rules. Where the transitional safe harbor relief does not apply, the Group does not incur a material liability to Pillar Two income taxes. Therefore, based on the Amendments to IAS 12 "Income Taxes": International Tax Reform – Pillar Two Model Rules, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published.

On July 4, 2025, the One Big Beautiful Bill Act (**OBBBA**) was enacted in the United States, introducing significant changes to tax legislation with various effective dates. The Group is currently evaluating the potential impacts of the relevant tax provisions under OBBBA on its consolidated financial statements.

Provisions

As at June 30, 2025, the Group has provisions for litigation, environmental liabilities, warranties and decommissioning of US\$110.9 million, an increase of US\$11.2 million as compared to US\$99.8 million as at December 31, 2024. The increase in provisions was principally due to the net change in warranty reserves, reflecting net additions of US\$26.7 and cash payments of US\$18.4 on historical warranty provisions during 2025.

Management Discussion and Analysis

Liquidity and Capital Resources

Cash Flows

Our business requires a significant amount of working capital, which is primarily used to finance the purchase of raw materials, capital spending for customer programmes and engineering and product development costs. We have historically met our working capital and other capital requirements principally from cash generated from operations and borrowings from third-party financial institutions. We utilise a combination of strategies, including intercompany dividends, intercompany loan structures and other distributions and advances to provide the funds necessary to meet our global liquidity needs. The Company utilises a global cash pooling arrangement to consolidate and manage our global cash balances, which improves cash management efficiency. We believe that cash on hand and availability of borrowings under the Group's credit facilities will be adequate to fund our operations.

The following table sets forth a condensed consolidated interim statement of cash flows for the Group for the periods indicated:

	For the six months ended June 30, 2025 US\$'000 (Unaudited)	For the six months ended June 30, 2024 US\$'000 (Unaudited)
Cash generated from (used in):		
Operating activities	142,316	152,387
Investing activities	(105,650)	(154,648)
Financing activities	(11,730)	(19,703)
Net increase (decrease) in cash and cash equivalents	24,936	(21,964)

Cash Flows Generated from Operating Activities

For the six months ended June 30, 2025, the Group's net cash generated from operating activities was US\$142.3 million, a decrease of US\$10.1 million compared with US\$152.4 million for the six months ended June 30, 2024. The decrease in cash flows from operations was driven by unfavourable net working capital offsetting higher profit.

Management Discussion and Analysis

Cash Flows Used in Investing Activities

The Group's cash flows used in investing activities primarily reflect capital spending for purchases of machinery, equipment and tooling and capitalised engineering and product development costs as intangible assets to support customer programmes.

The following table sets forth the cash used in investing activities within the Group for the periods indicated:

	For the six months ended June 30, 2025 US\$'000 (Unaudited)	For the six months ended June 30, 2024 US\$'000 (Unaudited)
Purchase of property, plant and equipment	(54,994)	(91,185)
Addition of intangible assets	(55,491)	(54,094)
Addition of right-of-use assets	–	(8,826)
Others	4,835	(543)
Net cash used in investing activities	(105,650)	(154,648)

Cash Flows Used in Financing Activities

For the six months ended June 30, 2025, the Group's net cash used in financing activities was US\$11.7 million, a decrease of US\$8.0 million when compared with a use of cash of US\$19.7 million during the six months ended June 30, 2024. The main driver of the Group's favourability in cash used in financing activities was a dividend of US\$6.3 million paid to our non-controlling interests in the prior year.

Management Discussion and Analysis

Indebtedness

As at June 30, 2025, the Group's total borrowings was US\$48.7 million, an increase of US\$0.9 million from US\$47.8 million as at December 31, 2024. The increase was primarily due to foreign currency impact on term loan borrowings in China which are denominated in RMB.

The following table sets forth the balances of short and long-term borrowing obligations within the Group for the periods indicated:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Current borrowings	139	137
Non-current borrowings	48,541	47,625
Total borrowings	48,680	47,762

The table below sets forth the maturity profile of the borrowings within the Group for the periods indicated:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Within 1 year	139	137
Between 1 and 2 years	139	137
Between 2 and 5 years	48,402	47,488
Total borrowings	48,680	47,762

Pledge of Assets

The Group has several secured borrowings at certain subsidiaries. Assets securing the borrowings differ by site and include accounts receivable, inventories and property, plant and equipment. As at June 30, 2025, the Group had approximately US\$835.6 million total assets pledged as collateral, an increase of US\$107.7 million as compared with US\$724.1 million as at December 31, 2024. The increase in collateral pledged was directly related to increases in the balances of the underlying assets pledged. No significant changes in collateral arrangements have occurred from December 31, 2024 to June 30, 2025.

Management Discussion and Analysis

Exposure to Currency Rate Fluctuations and Related Hedges

The Group seeks to limit its foreign currency exposure through matching its purchase of materials and sale of finished goods in the same currencies subject to sourcing constraints. The Group monitors its remaining foreign currency exposure regularly to reduce the risk of foreign currency fluctuations in its operations.

Gearing Ratio

The Group monitors its capital structure on the basis of the gearing ratio. The gearing ratio is calculated as total borrowings divided by total equity at the end of the respective period.

The gearing ratio as at June 30, 2025 was 2.3%, a decrease of 10 basis points as compared to 2.4% as at December 31, 2024.

OTHER INFORMATION

Future Prospects

The Group strives to maintain a market-leading position in global motion control technology including by-wire chassis advancements. We boost our current position and future prospects by aligning with megatrend convergence (such as software defined vehicles, automation, electrification, etc.) and capitalizing on the following five Nexteer differentiators:

1. Relentless innovation
2. Depth and breadth of our product portfolio
3. Systems integration experience
4. In-house ownership of R&D and integrated product and process development
5. Global manufacturing footprint and prowess

Megatrends influencing the automotive industry and adjacent sectors continue to present new and unique channels for Nexteer. We retain thoughtful alignment across our product lines with megatrends including ADAS – Advanced Safety & Performance, Software & Connectivity, Electrification and Shared Mobility. In many cases, our technologies create a natural fit for Nexteer to offer solutions to OEMs across these megatrends, which provides us a competitive advantage and positions us well for potential future opportunities as these megatrends continue to evolve and mature.

As at June 30, 2025, there were no future plans for material investments or capital assets in the remainder of the year.

Please refer to the Business Overview section earlier in this report for more details on our alignment to these megatrends.

Management Discussion and Analysis

Employees Remuneration Policy

As at June 30, 2025, the Group had approximately 12,000 full-time employees. The Group's remuneration policies are formulated based on the performance of individual employees and the Group's performance and are reviewed regularly. Our full-time employees participate in various employee benefit plans including retirement benefits, extended disability benefits and workers' compensation. In addition, we have adopted employee incentive plans designed to attract, retain, motivate and encourage employees to commit to enhancing value for us and the shareholders of the Company (the **Shareholders**) as a whole. For example, the Group has employee retention programmes that include individual development plans, merit wage adjustments, annual incentive plans and promotions. We offer training programmes to our full-time employees and contract personnel which are designed to develop the skills that we need to meet our enterprise goals and customer requirements and to meet certain training requirements such as mandated customer or regulatory requirement and contractual obligations.

The Group also uses contract personnel to support the workload of the business where considered the most efficient. As at June 30, 2025, the Group had approximately 1,800 personnel engaged on a contract basis.

FORWARD-LOOKING STATEMENTS

Any forward-looking statements and opinions contained within this interim report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Company, the Directors and the employees of the Company assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this interim report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.

Corporate Governance/Other Information

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. The Company recognises that sound corporate governance practices are fundamental to our effective and transparent operation and to the Group's ability to protect the rights of the Shareholders and enhance Shareholder value.

The Company has adopted its own Internal Control and Corporate Governance Policies, which are based on the principles, provisions and practices set out in the Corporate Governance Code (the **Hong Kong CG Code**) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**).

Except as expressly described below, in the opinion of the directors (the **Directors**) of the board of the Company (the **Board**), the Company has complied with all applicable code provisions set out in the Hong Kong CG Code and all applicable laws and regulations that have a significant impact on the business and operation of the Group throughout the six months ended June 30, 2025.

The Company periodically reviews its corporate governance practices with reference to the latest developments of the Hong Kong CG Code.

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 in Part 2 of Appendix C1 to the Listing Rules, the roles of chairman and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. With effect from June 21, 2022 to August 13, 2025, Mr. LEI, Zili (**Mr. LEI**) had been appointed as the Chairman of the Board (the **Chairman**) and the Chief Executive Officer of the Company and with effect from August 13, 2025, Mr. DING, Fengtao (**Mr. DING**) has been redesignated as an Executive Director and appointed as the Chairman and Chief Executive Officer of the Company, each of which constitutes a deviation from code provision C.2.1 in Part 2 of Appendix C1 to the Listing Rules. The Board considers that the appointment of Mr. LEI and Mr. DING as both chairman and chief executive can provide the Group with consistent leadership going forward and allow more effective implementation of the overall strategy of the Group. Furthermore, this structure does not compromise the balance of power and authority, as major decisions are made in consultation with the Board. The current senior management team of the Group also possesses rich knowledge and experience in different professional fields to assist Mr. LEI and Mr. DING to make decisions about the businesses and operations of the Group.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group and that Board meetings are planned and conducted effectively. The Chairman is responsible for setting the agenda for each Board meeting, taking into account, where appropriate, matters proposed by the Directors and the Company Secretary. With the support of the Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and provided with adequate and accurate information in a timely manner. The Chairman promotes a culture of openness and actively encourages Directors to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's effective functioning. The Board, under the leadership of the Chairman, has adopted sound corporate governance practices and procedures and has taken appropriate steps to provide effective communication with Shareholders and other stakeholders.

Corporate Governance/Other Information

COMPLIANCE WITH CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **Model Code**) as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Model Code for the six months ended June 30, 2025.

The Company has also adopted its own code of conduct regarding employees' securities transactions in terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

The Company maintains and regularly reviews a sensitivity list identifying factors or developments which are likely to give rise to the emergence of inside information or development of a false market for its securities.

The Company ensures that confidentiality agreements are signed by all relevant parties to a transaction that is likely to give rise to the emergence of inside information or development of a false market for its securities. The Company also adopts appropriate measures to maintain the confidentiality of the information, such as using project codes and restricting access to such information to a limited group of recipients on a need-to-know basis.

The Company organises periodic training as it deems necessary for employees who, because of their office or employment, are likely to be in possession of inside information in relation to the Company, to help them understand the Company's policies and procedures as well as their relevant disclosure duties and obligations.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has adopted a risk management and internal control system and associated procedures and conducts reviews of the effectiveness of the risk management and internal control system of the Group from time to time.

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Dr. WANG Bin (王斌), had retired as an independent director of UBS Securities Co., Ltd (瑞銀證券有限責任公司) in March 2025 due to the expiration of the current term of office.

Mr. DING, Fengtao (丁峰濤) had been appointed as a non-Executive Director with effect from June 18, 2025, and redesignated from a non-Executive Director to an Executive Director and appointed as the Chairman, Chief Executive Officer and authorised representative under Rule 3.05 of the Listing Rules (the **Authorised Representative**) all with effect from August 13, 2025.

Mr. LEI, Zili (雷自力) resigned as the Chairman and Chief Executive Officer, redesignated from an Executive Director to a non-Executive Director and ceased to act as the Authorised Representative all with effect from August 13, 2025.

Except as disclosed above, there is no other change in the Directors' biographical details required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended June 30, 2025.

AUDIT AND COMPLIANCE COMMITTEE AND REVIEW OF UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Audit and Compliance Committee had reviewed together with management and the external auditor the unaudited Condensed Financial Information of the Company for the six months ended June 30, 2025. There has been no disagreement between the Audit and Compliance Committee or the auditor with the accounting treatment adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES BY THE COMPANY

There was no purchase, sale or redemption of any listed securities (including sale of treasury shares) of the Company by the Company or any of its subsidiaries during the six months ended June 30, 2025.

SHARE OPTION SCHEME

On June 5, 2014, the Company adopted a share option scheme (the **Share Option Scheme**), which had remained in force for a period of 10 years until its expiration on June 5, 2024. The period within which the options may be exercised must expire no later than 10 years from the relevant date of grant; therefore, the options granted on June 11, 2014 and June 10, 2015 have expired.

There were no options under the Share Option Scheme (**Options**) vested during the six months ended June 30, 2025.

No options were available for grant as at January 1, 2025 and June 30, 2025, as the Share Option Scheme expired on June 5, 2024.

Corporate Governance/Other Information

The summary of Options granted under the Share Option Scheme that were outstanding as at June 30, 2025 are as follows:

	Grant date	Options granted	Options held as at January 1, 2025	Options granted during the interim period	Options exercised during the interim period	Options cancelled/lapsed during the interim period	Options held as at June 30, 2025	Exercise period ⁽¹⁾	Options exercised price per share HK\$	Share price on the grant date ⁽²⁾ HK\$	Share price on the exercise date HK\$	Weighted average closing price of the Company's shares immediately before the exercise date HK\$
Director												
LEI, Zili	October 25, 2022	1,667,970	555,990	-	-	-	555,990	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
MILAVEC, Robin Zane	May 30, 2018	526,730	175,580	-	-	-	175,580	May 30, 2018 – May 29, 2028	12.456	11.960	N/A	N/A
	August 21, 2019	1,667,970	-	-	-	-	-	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	2,633,650	877,870	-	-	-	877,870	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
WANG, Jian ⁽³⁾	August 21, 2019	702,300	-	-	-	-	-	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	351,150	117,050	-	-	-117,050	-	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
ZHANG, Wendong	October 25, 2022	351,150	117,050	-	-	-	117,050	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
Sub-total		7,900,920	1,843,540	-	-	-117,050	1,726,490					
Other Employee Participants (in aggregate)												
	June 11, 2014	11,236,860	-	-	-	-	-	June 11, 2014 – June 10, 2024	5.150	5.150	N/A	N/A
	June 10, 2015	10,358,990	-	-	-	-	-	June 10, 2015 – June 9, 2025	8.610	8.480	N/A	N/A
	June 10, 2016	10,602,490	279,380	-	-	-	279,380	June 10, 2016 – June 9, 2026	7.584	7.340	N/A	N/A
	May 29, 2017	11,919,310	139,690	-	-	-	139,690	May 29, 2017 – May 28, 2027	11.620	11.620	N/A	N/A
	May 30, 2018	12,446,040	490,850	-	-	-	490,850	May 30, 2018 – May 29, 2028	12.456	11.960	N/A	N/A
	August 21, 2019	11,304,800	-	-	-	-	-	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	7,374,200	1,989,830	-	-	-	1,989,830	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
Sub-total		75,242,690	2,899,750	-	-	-	2,899,750					
Total		83,143,610	4,743,290	-	-	-117,050	4,626,240					

Notes:

- (1) The Options granted in 2014, 2015, 2016, 2017, 2018, 2019 and 2022 must be held for one year from June 11, 2014, June 10, 2015, June 10, 2016, May 29, 2017, May 30, 2018, August 21, 2019 and October 25, 2022, respectively. The Options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third at each anniversary of the Date of Grant of the share option. The October 25, 2022 grant contains various performance targets in order to vest. These performance targets require the Group to achieve a minimum return on invested capital, three-year compound annual growth rate, and operating margin. Also, the Group's return on invested capital, three-year compound annual growth rate, and operating margin must exceed benchmark companies.
- (2) The exercise price for the Options granted on June 11, 2014, May 29, 2017 and August 21, 2019 was the closing price of the shares quoted on the Hong Kong Stock Exchange on the trading day on the Date of Grant of the Options. The exercise price for the Options granted on June 10, 2015, June 10, 2016, May 30, 2018 and October 25, 2022 was the average closing price for five consecutive trading days prior to the Date of Grant of the Options.
- (3) Mr. WANG, Jian retired as a non-executive Director with effect from June 18, 2025.

During the six months ended June 30, 2025, there were 4,626,240 shares that may be issued in respect of outstanding options previously granted under the Share Option Scheme, representing approximately 0.18% of the weighted average number of shares in issue. Such outstanding options remain exercisable until no later than 10 years from the relevant grant date.

Corporate Governance/Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at June 30, 2025, the interests or short positions of the Directors or Chief Executives of the Company in the shares of the Company (the **Shares**), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the **SFO**)) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to Model Code are as follows:

Interest in the Company

Name	Capacity	Nature of Interest	No. of underlying Shares of the Company held (through share options) ⁽¹⁾	Approximate Percentage of Total Issued Shares ⁽²⁾ %
LEI, Zili	Director	Beneficial owner	555,990 (L)	0.02%
MILAVEC, Robin Zane	Director	Beneficial owner	1,053,450 (L)	0.04%
ZHANG, Wendong	Director	Beneficial owner	117,050 (L)	<0.01%

Notes:

(L) Denotes a long position in the Shares.

(1) These represent the interests in underlying Shares in respect of the Options granted by the Company.

(2) The calculation is based on the total number of 2,509,824,293 Shares in issue as at June 30, 2025.

Except as disclosed above, as at June 30, 2025, none of our Directors and Chief Executives of the Company have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO; or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance/Other Information

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed above, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any of its subsidiaries were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the six months ended June 30, 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2025, the following Shareholders (excluding the Directors and Chief Executives of the Company) had interests or short positions in any Shares and underlying Shares of the Company which will be required to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Name	Nature of Interest	No. of Shares	Approximate Percentage of Total Issued Shares ⁽¹⁾ %
Nexteer Automotive (Hong Kong) Holdings Limited (Nexteer Hong Kong) ⁽²⁾	Beneficial owner	1,105,000,000 (L)	44.03%
Pacific Century Motors, Inc. (PCM China) ⁽²⁾	Interest of controlled corporation	1,105,000,000 (L)	44.03%
AVIC Automotive Systems Holding Co., Ltd. (AVIC Auto) ⁽³⁾	Interest of controlled corporation	1,105,000,000 (L)	44.03%
Aviation Industry Corporation of China, Ltd. (AVIC) ⁽³⁾	Interest of controlled corporation	1,105,000,000 (L)	44.03%
Beijing E-Town International Investment & Development Co. Ltd. ⁽⁴⁾	Interest of controlled corporation	476,372,000 (L)	18.98%
Beijing E-Town International Automotive Investment & Management Co., Ltd. ⁽⁴⁾	Beneficial owner	476,372,000 (L)	18.98%

Notes:

(L) Denotes a long position in the Shares.

(1) The calculation is based on the total number of 2,509,824,293 Shares issued as at June 30, 2025.

(2) Nexteer Hong Kong is wholly-owned by PCM China, which is in turn owned as to 72.88% by AVIC Auto and as to 27.12% by Beijing E-Town International Automotive Investment & Management Co. Ltd. (北京亦莊國際汽車投資管理有限公司) (a direct wholly-owned subsidiary of Beijing E-Town International Investment & Development Co. Ltd.). Each of PCM China and AVIC Auto is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.

(3) AVIC Auto is owned as to 70.11% by AVIC. AVIC is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.

(4) On September 23, 2022, Beijing E-Town International Automotive Investment & Management Co., Ltd. (北京亦莊國際汽車投資管理有限公司) (a direct wholly-owned subsidiary of Beijing E-Town International Investment & Development Co., Ltd.) became a direct holder of 525,000,000 shares of the Company, which then reduced its shares to 476,372,000 at June 30, 2025. Beijing E-Town International Investment & Development Co., Ltd. is deemed to be interested in the 476,372,000 Shares held by Beijing E-Town International Automotive Investment & Management Co., Ltd.

Report on Review of Condensed Consolidated Interim Financial Information

Deloitte.

德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NEXTEER AUTOMOTIVE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial information of Nexteer Automotive Group Limited (the **Company**) and its subsidiaries (collective referred to as the **Group**) set out on pages 34 to 72, which comprise the condensed consolidated interim balance sheet as at June 30, 2025 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (**IAS 34**) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the International Auditing and Assurance Standards Board. A review of the condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
August 13, 2025

Condensed Consolidated Interim Balance Sheet

As at June 30, 2025

	Notes	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	995,670	981,141
Right-of-use assets	8	43,549	48,283
Intangible assets	7	674,615	675,428
Deferred income tax assets		48,239	41,566
Investment in a joint venture	26(b)	24,476	22,715
Income taxes receivable		4,288	5,997
Other receivables and prepayments	11	20,530	19,688
		1,811,367	1,794,818
Current assets			
Inventories		309,606	283,826
Trade receivables	9	841,442	820,395
Notes receivable	10	86,605	58,114
Income taxes receivable		637	954
Other receivables and prepayments	11	107,662	98,743
Restricted bank deposits		14	14
Cash and cash equivalents		459,219	422,278
		1,805,185	1,684,324
Total assets		3,616,552	3,479,142

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Balance Sheet

As at June 30, 2025

	Notes	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	32,377	32,377
Other reserves		(12,731)	(58,985)
Retained earnings		2,047,130	2,005,485
		2,066,776	1,978,877
Non-controlling interests		41,456	51,024
Total equity		2,108,232	2,029,901
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	32,198	27,950
Borrowings	13	48,541	47,625
Retirement benefits and compensations		20,825	20,883
Deferred income tax liabilities		1,409	1,754
Provisions	14	79,528	59,863
Deferred revenue	15	107,313	108,062
Other payables and accruals	17	33,399	30,724
		323,213	296,861
Current liabilities			
Trade payables	16	890,073	873,172
Other payables and accruals	17	203,690	169,017
Current income tax liabilities		21,323	25,782
Retirement benefits and compensations		2,709	3,163
Provisions	14	31,399	39,898
Deferred revenue	15	24,382	25,329
Borrowings	13	139	137
Lease liabilities	8	11,392	15,882
		1,185,107	1,152,380
Total liabilities		1,508,320	1,449,241
Total equity and liabilities		3,616,552	3,479,142

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 34 to 72 was approved by the Board of Directors on August 13, 2025 and were signed on its behalf.

LEI, Zili

Director

MILAVEC, Robin Zane

Director

Condensed Consolidated Interim Income Statement

For the six months ended June 30, 2025

	Notes	For the six months ended June 30, 2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Revenue	6	2,242,248	2,098,927
Cost of sales	19	(1,983,341)	(1,888,000)
Gross profit		258,907	210,927
Engineering and product development costs	19	(75,393)	(88,628)
Selling and distribution expenses	19	(10,704)	(10,790)
Administrative expenses	19	(81,474)	(71,622)
Other gains, net	18	1,792	1,424
Operating profit		93,128	41,311
Finance income	21	4,182	3,131
Finance costs	21	(3,390)	(5,309)
		792	(2,178)
Share of results of a joint venture	26(b)	1,761	1,657
Profit before income tax		95,681	40,790
Income tax expense	22	(26,667)	(17,729)
Profit for the period		69,014	23,061
Profit for the period attributable to:			
Equity holders of the Company		63,480	15,695
Non-controlling interests		5,534	7,366
		69,014	23,061
Earnings per share for profit for the period attributable to equity holders of the Company for the period (expressed in US\$ per share)			
– Basic and diluted	23	0.025	0.006

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended June 30, 2025

	For the six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Profit for the period	69,014	23,061
Other comprehensive income (loss)		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences	47,187	(25,256)
Total comprehensive income (loss) for the period	116,201	(2,195)
Total comprehensive income (loss) for the period attributable to:		
Equity holders of the Company	109,734	(8,330)
Non-controlling interests	6,467	6,135
	116,201	(2,195)

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to equity holders of the Company							Total US\$'000
	Share capital US\$'000 (note 12)	Merger reserve US\$'000	Share- based compensation reserve US\$'000	Exchange reserve US\$'000	Retained earnings US\$'000	Sub-total US\$'000	Non- controlling interests US\$'000	
For the six months ended June 30, 2024 (Unaudited)								
As at January 1, 2024	32,377	113,000	6,434	(138,308)	1,950,313	1,963,816	47,025	2,010,841
Comprehensive income								
Profit for the period	–	–	–	–	15,695	15,695	7,366	23,061
Other comprehensive loss								
Exchange differences	–	–	–	(24,025)	–	(24,025)	(1,231)	(25,256)
Total comprehensive (loss) income	–	–	–	(24,025)	15,695	(8,330)	6,135	(2,195)
Transactions with owners								
Value of employee services provided under Share Option Scheme (note 20)	–	–	169	–	–	169	–	169
Dividends payable to shareholders (note 24)	–	–	–	–	(7,529)	(7,529)	–	(7,529)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(6,287)	(6,287)
As at June 30, 2024	32,377	113,000	6,603	(162,333)	1,958,479	1,948,126	46,873	1,994,999
For the six months ended June 30, 2025 (Unaudited)								
As at January 1, 2025	32,377	113,000	6,033	(178,018)	2,005,485	1,978,877	51,024	2,029,901
Comprehensive income								
Profit for the period	–	–	–	–	63,480	63,480	5,534	69,014
Other comprehensive income								
Exchange differences	–	–	–	46,254	–	46,254	933	47,187
Total comprehensive income	–	–	–	46,254	63,480	109,734	6,467	116,201
Transactions with owners								
Dividends payable to shareholders (note 24)	–	–	–	–	(21,835)	(21,835)	–	(21,835)
Dividends payable to non-controlling interests	–	–	–	–	–	–	(16,035)	(16,035)
As at June 30, 2025	32,377	113,000	6,033	(131,764)	2,047,130	2,066,776	41,456	2,108,232

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended June 30, 2025

	For the six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Operating activities		
Cash generated from operations	176,490	185,570
Income tax paid, net	(34,174)	(33,183)
Net cash generated from operating activities	142,316	152,387
Investing activities		
Purchase of property, plant and equipment	(54,994)	(91,185)
Addition of intangible assets	(55,491)	(54,094)
Addition of right-of-use assets	—	(8,826)
Others	4,835	(543)
Net cash used in investing activities	(105,650)	(154,648)
Financing activities		
Proceeds from borrowings	—	48,089
Repayments of borrowings	—	(48,089)
Repayments of lease liabilities	(7,745)	(7,588)
Finance costs paid	(3,985)	(5,828)
Dividends paid to non-controlling interests	—	(6,287)
Net cash used in financing activities	(11,730)	(19,703)
Net increase (decrease) in cash and cash equivalents	24,936	(21,964)
Cash and cash equivalents at beginning of period	422,278	311,741
Effect of exchange rate changes on cash and cash equivalents	12,005	(9,941)
Cash and cash equivalents at end of period	459,219	279,836

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

1 GENERAL INFORMATION

Nexteer Automotive Group Limited (the **Company**) was incorporated in the Cayman Islands on August 21, 2012 as an exempted company with limited liability under the Companies Law (as amended), of the Cayman Islands. The address of the Company's registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company, together with its subsidiaries (collectively referred to as the **Group**), are principally engaged in the design and manufacture of steering and driveline systems, Advanced Driver Assistance Systems and Automated Driving and components for automobile manufacturers and other automotive-related companies. The Group's primary operations are in the United States of America (**USA** or **US**), Mexico, the People's Republic of China (**China**), Poland, India, Morocco and Brazil and are structured to supply its customers globally. The principal markets for the Group's products are North America, Europe, South America, China and India.

The Company's directors regard Aviation Industry Corporation of China, Ltd. (**AVIC**), a company established in China, as being the ultimate holding company of the Company. The Company's immediate holding company is Nexteer Automotive (Hong Kong) Holdings Limited.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since October 7, 2013.

The functional currency of the Company is US dollar (**US\$**). This condensed consolidated interim financial information (**Condensed Financial Information**) is presented in thousands of US dollars (**US\$'000**), unless otherwise stated. This Condensed Financial Information was approved by the Board of Directors of the Company (the **Board**) for issue on August 13, 2025.

This Condensed Financial Information has not been audited.

2 BASIS OF PREPARATION

This Condensed Financial Information has been prepared in accordance with International Accounting Standard (**IAS**) 34 "Interim Financial Reporting" and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**). This Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as well as the applicable disclosure requirements under the Listing Rules and the Hong Kong Companies Ordinance.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

3 ACCOUNTING POLICIES

In addition to those described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2024, as described in those annual financial statements.

Amendments to standards adopted by the Group

The Group has adopted the following amendments which are relevant to the Group and mandatory for the accounting period beginning on January 1, 2025.

Amendments to IAS 21

Lack of Exchangeability

The adoption of this amendment did not have a significant effect on the Group's Condensed Financial Information.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Condensed Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Condensed Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended December 31, 2024.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

5 FINANCIAL INSTRUMENTS

Fair value estimation

The carrying amounts of the Group's current financial assets and liabilities, including cash and cash equivalents, restricted bank deposits, trade receivables, notes receivable and other receivables, trade payables and other payables and accruals and current borrowings approximate their fair values. The fair value of non-current financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The Group has notes receivable measured at fair value through other comprehensive income (**FVOCI**) and included in Level 2 of the fair value hierarchy as at June 30, 2025 and December 31, 2024. Notes receivable are measured at FVOCI as (i) they are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The fair value of financial assets at FVOCI is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Group for similar financial instruments. The Group had no other financial assets or liabilities measured at fair value as at June 30, 2025 and December 31, 2024. The different levels are defined as follows:

- The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in **Level 1**.
- The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in **Level 2**.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in **Level 3**.

There were no transfers of financial assets or financial liabilities between fair value hierarchy classifications.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION**6.1 Revenue from contracts with customers**

The Group contracts with customers, which are generally automotive original equipment manufacturers (**OEMs**), to sell steering and driveline systems and components. In connection with these contracts, the Group also provides tooling and prototype parts. The Group does not have material significant payment terms as payment is received shortly after the point of sale.

Performance Obligations

The following summarises types of performance obligations identified in a contract with a customer.

Products	Nature, timing of satisfaction of performance obligations, and payment terms
Production Parts	<p>The Group recognises the majority of revenue for production parts at a point in time upon shipment to the customer and transfer of the title and risk of loss under standard commercial terms.</p> <p>A limited number of the Group's customer arrangements for customised products with no alternative use provide the Group the right to payment during the production process. These revenues are recognised over time using the input method as performance obligations under the terms of a contract are satisfied.</p> <p>The amount of revenue recognised is based on the purchase order price. Customers typically pay for the product/prototype based on customary business practices with payment terms ranging from 30 to 90 days.</p>
Tooling	<p>The Group's development and sale of tooling for customers is performed in connection with the preparations to produce and sell products to its customers. Customers typically pay for the tooling in a lump sum upon acceptance.</p> <p>The Group recognises revenue for tooling over time using the input method as it satisfies its performance obligation. Revenue is recognised to the extent of costs incurred to date for reimbursable tooling from customers.</p>
Engineering Design and Development/Prototypes	<p>The Group recognises non-production related engineering design and development revenue/prototypes, which is normally related to R&D, performance improvement and business pursuit.</p> <p>The Group recognises revenue for non-production related engineering design and development/prototypes revenue over time using the input method as it satisfies its performance obligations.</p>

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.1 Revenue from contracts with customers (Continued)***Contract balances*

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on production parts, tooling and engineering design and development/prototypes. The contract assets are reclassified into the receivables balance when the rights to receive payment become unconditional. Contract assets are assessed for impairment under the expected credit loss method in IFRS 9 "Financial Instruments". There have been no impairment losses recognised related to contract assets arising from the Group's contracts with customers. Contract liabilities are associated with consideration received from customers in advance of transferring goods promised in a contract. Recognition of revenue is deferred until the related performance obligations are satisfied in the future. The following table provides information about contract assets and contract liabilities from contracts with customers.

	Contract assets⁽ⁱ⁾ US\$'000	Contract liabilities, Current⁽ⁱⁱ⁾ US\$'000	Contract liabilities, Non-Current⁽ⁱⁱ⁾ US\$'000
Balances as at June 30, 2025 (Unaudited)	36,937	24,382	107,313
Balances as at December 31, 2024 (Audited)	46,219	25,329	108,062

(i) Contract assets are recorded within current other receivables and prepayments. As at January 1, 2024, contract assets amount to US\$48,655,000.

(ii) Contract liabilities are recorded within deferred revenue. As at January 1, 2024, contract liabilities amount to US\$137,473,000.

6.2 Segment information

The Group's segment information is presented on the basis of internal reports that are regularly reviewed by the Group's Chief Executive Officer (**CEO**) in order to allocate resources to the segments and assess their performance. For each of the Group's reportable segments, the Group's CEO reviews internal management reports on a quarterly basis.

The Group classifies its businesses into three reportable segments: North America, Asia Pacific and Europe, Middle East, Africa and South America (**EMEASA**). All of the Group's operating segments typically offer the same steering and driveline products. The "Others" category primarily represents parent company activities of the Company and activities of its non-operating direct and indirect subsidiaries, as well as elimination entries between segments.

For internal management reporting purposes, a US-based subsidiary and a Mexico-based subsidiary which are separate operating segments have been aggregated into the North America reportable segment considering these operating segments have similar economic characteristics including their gross margin, operating profit and Adjusted EBITDA (as defined below) as a percentage of revenue.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.2 Segment information** (Continued)

The key performance indicator that the Group monitors to manage segment operations is operating income before interest, taxes, depreciation and amortisation, impairment of intangible assets, customer recovery income related to impairments and share of results of a joint venture (**Adjusted EBITDA**).

Information about reportable segments and reconciliations of reportable segment revenues is as follows:

	North America US\$'000	Asia Pacific US\$'000	EMEASA US\$'000	Others US\$'000	Total US\$'000
For the six months ended June 30, 2025 (Unaudited)					
Total revenue	1,154,475	703,966	403,122	3,154	2,264,717
Inter-segment revenue	(16,171)	(17,433)	(2,271)	13,406	(22,469)
Revenue from external customers	1,138,304	686,533	400,851	16,560	2,242,248
Adjusted EBITDA	86,016	115,704	35,114	(6,481)	230,353
For the six months ended June 30, 2024 (Unaudited)					
Total revenue	1,151,635	616,680	368,276	(9,244)	2,127,347
Inter-segment revenue	(32,652)	(22,102)	(1,928)	28,262	(28,420)
Revenue from external customers	1,118,983	594,578	366,348	19,018	2,098,927
Adjusted EBITDA	87,329	104,737	7,422	(2,193)	197,295

The revenue from external parties reported to the Group's CEO is measured in a manner consistent with that in the Condensed Financial Information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.2 Segment information** (Continued)

Total assets and total liabilities represent total current and non-current assets and total current and non-current liabilities of the segments and include assets and liabilities between operating segments. Reconciliations of reportable segment total assets and liabilities are as follows:

	North America US\$'000	Asia Pacific US\$'000	EMEASA US\$'000	Others US\$'000	Total US\$'000
As at June 30, 2025 (Unaudited)					
Total assets	1,530,208	1,577,278	765,254	(256,188)	3,616,552
Total liabilities	665,793	712,734	282,069	(152,276)	1,508,320
As at December 31, 2024 (Audited)					
Total assets	1,507,449	1,498,295	668,782	(195,384)	3,479,142
Total liabilities	627,213	743,479	236,439	(157,890)	1,449,241

Adjusted EBITDA includes a non-cash component for revenue recognised from deferred revenue. For the six months ended June 30, 2025, the North America segment, Asia Pacific segment and EMEASA segment recognised US\$8,613,000 (six months ended June 30, 2024: US\$19,987,000), US\$5,834,000 (six months ended June 30, 2024: US\$5,526,000) and US\$1,911,000 (six months ended June 30, 2024: US\$2,144,000), respectively. Reconciliations of reportable segment Adjusted EBITDA to the Group's profit before income tax are as follows:

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Adjusted EBITDA from reportable segments	230,353	197,295
Depreciation and amortisation	(138,289)	(142,285)
Impairments on intangible assets	(1,579)	(37,699)
Customer recovery income related to impairments	2,643	24,000
Finance income	4,182	3,131
Finance costs	(3,390)	(5,309)
Share of results of a joint venture	1,761	1,657
Profit before income tax	95,681	40,790

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.2 Segment information** (Continued)

In presenting information on the basis of geography, segment revenue is based on the geographical location of subsidiaries and segment assets and liabilities are based on geographical location of the assets.

The geographic distribution of revenue for the six months ended June 30, 2025 and 2024 is as follows:

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
North America:		
US	610,843	664,380
Mexico	527,461	454,603
Asia Pacific:		
China	606,258	524,420
Rest of Asia Pacific	80,275	70,158
EMEASA:		
Poland	227,852	220,917
Rest of EMEASA	172,999	145,431
Other	16,560	19,018
	2,242,248	2,098,927

The geographic distribution of non-current assets, excluding deferred income tax assets, as at June 30, 2025 and December 31, 2024 is as follows:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
North America:		
US	387,515	414,671
Mexico	447,681	455,930
Asia Pacific:		
China	457,367	437,460
Rest of Asia Pacific	37,981	36,089
EMEASA:		
Poland	327,612	313,295
Rest of EMEASA	93,906	83,777
Others	11,066	12,030
	1,763,128	1,753,252

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.2 Segment information** (Continued)*Disaggregation of revenue*

	North America US\$'000	Asia Pacific US\$'000	EMEASA US\$'000	Others US\$'000	Total US\$'000
For the six months ended June 30, 2025 (Unaudited)					
Electric Power Steering (EPS)	704,119	472,425	332,281	16,554	1,525,379
Steering Columns and Intermediate Shafts (CIS)	167,242	29,393	31,864	–	228,499
Hydraulic Power Steering (HPS)	91,331	215	78	–	91,624
Driveline Systems (DL)	175,612	184,500	36,628	6	396,746
	1,138,304	686,533	400,851	16,560	2,242,248

	North America US\$'000	Asia Pacific US\$'000	EMEASA US\$'000	Others US\$'000	Total US\$'000
For the six months ended June 30, 2024 (Unaudited)					
EPS	697,541	394,522	293,506	18,986	1,404,555
CIS	163,910	28,412	29,652	25	221,999
HPS	89,306	516	307	–	90,129
DL	168,226	171,128	42,883	7	382,244
	1,118,983	594,578	366,348	19,018	2,098,927

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

6 REVENUE AND SEGMENT INFORMATION (Continued)**6.2 Segment information** (Continued)*Revenue by type*

	For the six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Production parts	2,220,652	2,066,804
Tooling	1,804	9,834
Engineering design and development/prototypes	19,792	22,289
	2,242,248	2,098,927

Customers amounting to 10 percent or more of the Group's revenue are as follows and reported in all segments:

	For the six months ended June 30,	
	2025	2024
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
GM	771,142	754,995
Customer A	414,764	408,694
Customer B	349,576	342,660
	1,535,482	1,506,349

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment US\$'000	Intangible assets US\$'000
Six months ended June 30, 2025 (Unaudited)		
Net book amount as at January 1, 2025	981,141	675,428
Additions	57,780	57,540
Disposals	(640)	–
Impairment	–	(1,579)
Depreciation and amortisation	(70,492)	(60,811)
Exchange differences	27,881	4,037
Net book amount as at June 30, 2025	995,670	674,615
Six months ended June 30, 2024 (Unaudited)		
Net book amount as at January 1, 2024	1,000,227	732,560
Additions	73,617	57,490
Disposals	(883)	–
Impairment	–	(37,699)
Depreciation and amortisation	(72,866)	(60,186)
Exchange differences	(13,445)	(2,692)
Net book amount as at June 30, 2024	986,650	689,473

Intangible asset additions include additions for product development. Product development cost additions, including capitalised interest, for the period ended June 30, 2025 were US\$57,540,000 (six months ended June 30, 2024: US\$57,490,000).

Capitalised product development costs not yet available for use are tested annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related.

The recoverable amount of the cash-generating units is determined based upon value in use from the most recent detailed calculations. The value in use is estimated using the discounted cash flow approach. For significant cash-generating units, the pre-tax discount rates used for the six months ended June 30, 2025 to estimate future cash flows range between 10.5% and 12.5% (six months ended June 30, 2024: between 12% and 14%), which are based on an estimated weighted average cost of capital depending on geographical location and risk factors and includes estimates of country risk premiums. Estimated cash flows are based on the estimated useful life of the cash-generating unit.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

In determining value in use, it is necessary to make a series of assumptions to estimate future cash flows. There is risk in future profitability forecasts including, but not limited to, assumptions of customer volumes and commodity pricing. The assumptions for customer volumes and commodity pricing are reviewed annually as part of management's budgeting and strategic planning cycles.

The assumptions related to customer volume and timing of sales to customers may vary due to a number of factors, including variation in demand for customers' products, customers' attempts to manage their inventories, design changes, changes in customers' manufacturing strategy, etc. Accordingly, many of the Group's customers do not commit to long-term production schedules.

The assumptions related to commodity pricing may vary as raw material costs are influenced by several commodities and the volatility of these prices may have an adverse impact on the Group's business. However, to mitigate the risk the Group continues its efforts to pass material, component and supply cost increases to the Group's customers.

During the six months ended June 30, 2025, the Group recorded product development intangible asset impairments of US\$1,579,000 related to programme cancellations on specific customer programmes, with US\$800,000 recorded in the North America segment, US\$309,000 recorded in the Asia Pacific segment and US\$470,000 recorded in the Others segment. In addition, the Group recorded customer recovery income from a previously impaired programme of US\$2,643,000 in the Condensed Financial Information as engineering and product development costs in the North America segment.

During the six months ended June 30, 2024, the Group recorded product development intangible asset impairments of US\$37,699,000 related to programme cancellations on specific customer programmes, with US\$36,147,000 recorded in the North America segment and US\$1,552,000 recorded in the Asia Pacific segment. In addition, the Group recorded customer recovery income from an impaired programme of US\$24,000,000 as cost of sales in the Condensed Financial Information in the North America segment.

Certain of the Group's property, plant and equipment have been pledged as collateral under the Group's borrowing arrangements. The carrying amounts of property, plant and equipment pledged as collateral were US\$240,644,000 as at June 30, 2025 (December 31, 2024: US\$254,575,000).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

8 LEASES

The Group's leases are mainly comprised of real-estate, equipment and tooling and vehicles. Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Real-Estate US\$'000 (Unaudited)	Other US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
Balance as at January 1, 2025	38,965	9,318	48,283
Depreciation charge for the six months ended June 30, 2025	5,493	1,493	6,986
Balance as at June 30, 2025	34,607	8,942	43,549
Depreciation charge for the six months ended June 30, 2024	6,382	2,851	9,233

Additions to the right-of-use assets during the six months ended June 30, 2025 were US\$5,314,000 (six months ended June 30, 2024: US\$15,143,000).

Depreciation is charged to the following expense by function:

	For the six months ended June 30, 2025 US\$'000 (Unaudited)		2024 US\$'000 (Unaudited)
Cost of sales	4,713		7,131
Engineering and product development costs	1,166		1,009
Administrative expenses	1,107		1,093
	6,986		9,233

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

8 LEASES (Continued)**Lease liabilities**

(i) Gross lease liabilities – minimum lease payments:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Within 1 year	12,648	18,020
Between 1 and 2 years	13,753	11,764
Between 2 and 5 years	18,493	16,284
Over 5 years	4,100	3,875
	48,994	49,943
Less: future finance charges	(5,404)	(6,111)
	43,590	43,832

(ii) Present value of lease liabilities:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Within 1 year	11,392	15,882
Between 1 and 2 years	12,169	10,306
Between 2 and 5 years	16,341	14,195
Over 5 years	3,688	3,449
	43,590	43,832
Less: non-current portion	(32,198)	(27,950)
Current portion	11,392	15,882

For the six months ended June 30, 2025, the Group recognised interest on lease liabilities of US\$1,389,000 (six months ended June 30, 2024: US\$1,309,000) in the Condensed Financial Information.

For the six months ended June 30, 2025, the Group's total cash outflows for leases amounted to US\$9,134,000 (six months ended June 30, 2024: US\$17,723,000) in the Condensed Financial Information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

9 TRADE RECEIVABLES

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Trade receivables, gross	848,264	827,051
Less: provision for impairment	(6,822)	(6,656)
	841,442	820,395

Credit terms range primarily from 30 to 90 days after the invoice date depending on the customer and the geographical region. Ageing analysis of trade receivables based on invoice date is as follows:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
0 to 30 days	482,251	498,976
31 to 60 days	278,819	237,477
61 to 90 days	48,097	48,557
Over 90 days	39,097	42,041
	848,264	827,051

The provision for impairment of receivables includes estimates and assessments of individual receivables based on the expected credit loss method.

Trade receivables of US\$4,439,000 (December 31, 2024: US\$4,439,000) and US\$2,383,000 (December 31, 2024: US\$2,217,000) were credit impaired and non-credit impaired, respectively, as at June 30, 2025 on which provisions were made.

The carrying amounts of trade receivables pledged as collateral were US\$493,624,000 as at June 30, 2025 (December 31, 2024: US\$367,049,000).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

10 NOTES RECEIVABLE

Certain customers in China pay for goods and services through the use of notes receivable. As at June 30, 2025, notes receivable outstanding was in the amount of US\$86,605,000 (December 31, 2024: US\$58,114,000). The notes receivable are measured at FVOCI.

Ageing analysis of notes receivable based on note date is as follows:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
0 to 30 days	22,149	29,684
31 to 60 days	19,488	17,453
61 to 90 days	19,426	1,939
Over 90 days	25,542	9,038
	86,605	58,114

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

11 OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Other taxes recoverable ⁽ⁱ⁾	32,764	17,219
Prepaid assets	40,822	38,324
Contract assets ⁽ⁱⁱ⁾	36,937	46,219
Deposits to vendors	10,001	10,243
Others	7,668	6,426
	128,192	118,431
Less: non-current portion	(20,530)	(19,688)
Current portion	107,662	98,743

Notes:

(i) Balance mainly represents value-added tax recoverable.

(ii) As stated in note 6, the Group has contracts with customers that require revenue to be recognised over time as costs are incurred. Contract assets balance represents rights to consideration for work completed but not billed, at the reporting date on production parts, tooling and engineering design and development/prototypes.

12 SHARE CAPITAL

	Number of ordinary shares	Amount
<i>Issued and fully paid:</i>		
HK\$0.10 each as at December 31, 2024 and June 30, 2025	2,509,824,293	HK\$250,982,429

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

13 BORROWINGS

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Non-Current		
Borrowings from banks		
– Unsecured ^{(1a(i))}	48,668	47,816
Add: Non-current portion of		
– Debt issuance costs ^(1b)	(127)	(191)
Total Non-Current	48,541	47,625
Current		
Borrowings from banks		
– Unsecured ^{(1a(i))}	139	137
Total Current	139	137
Total Borrowings	48,680	47,762

1. Notes:

- (a) The Group has the following significant utilised and unutilised bank facilities at the end of the reporting period:
- (i) An unsecured credit facility as at June 30, 2025 obtained by a subsidiary of the Company with a balance of US\$48,807,000 (December 31, 2024: US\$47,953,000) that matures in October 2027. The credit facility bears interest at the China Loan Prime Rate minus 0.73%. The credit facility has no remaining unused capacity as at June 30, 2025 and December 31, 2024.
 - (ii) A revolving line of credit obtained by a subsidiary of the Company which bears interest at SOFR plus a range of 1.35% to 1.85% per annum, depending on borrowing type, matures in June 2026 and is secured by trade receivables, inventories and machinery and equipment. Availability under the agreement fluctuates according to a borrowing base. In addition, outstanding amounts under the credit facility may become immediately due and payable upon certain events of default, including failure to comply with the financial covenant in the credit agreement, a fixed charge coverage ratio requirement that applies when excess availability under the credit line is less than certain thresholds, or certain other affirmative and negative covenants in the agreement. As at June 30, 2025, the Group has availability of US\$323,278,000 (December 31, 2024: US\$281,158,000) of the US\$325,000,000 line of credit.
 - (iii) A factoring facility with availability to borrow up to US\$46,890,000 (December 31, 2024: US\$41,638,000) by a subsidiary of the Company which bears interest at EURIBOR or WIBOR plus 1.5% per annum, is secured by certain receivables. As at June 30, 2025, the subsidiary has availability to borrow based on collateral up to US\$27,515,000 (December 31, 2024: US\$15,906,000).
 - (iv) An overdraft facility with availability to borrow up to US\$22,111,000 (December 31, 2024: US\$19,485,000) by a subsidiary of the Company which bears interest at EURIBOR plus 1.5% per annum or WIBOR plus 1.3% per annum, depending on the currency borrowed, is secured by certain trade receivables.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

13 BORROWINGS (Continued)**1.** Notes: (Continued)

- (a) The Group has the following significant utilised and unutilised bank facilities at the end of the reporting period: (Continued)
- (v) A revolving line of credit with availability to borrow up to US\$3,509,000 (December 31, 2024: US\$3,506,000) by a subsidiary of the Company which bears interest at the India Marginal Cost of Funds Based Lending Rate + 0.25% per annum, is secured by property, plant and equipment, trade receivables and inventories.
- (vi) A revolving line of credit with availability to borrow up to US\$3,509,000 (December 31, 2023: US\$3,506,000) by a subsidiary of the Company which bears interest at the India Marginal Cost of Funds Based Lending Rate + 0.4% per annum, is secured by property, plant and equipment, trade receivables and inventories.
- (b) The Group capitalised debt issuance costs related to various borrowing as noted above. Amortisation of the debt issuance costs is recognised in the Condensed Financial Information as finance cost over the period of the borrowing using the effective interest method. The unamortised balance of debt issuance costs is US\$127,000 as at June 30, 2025 (December 31, 2024: US\$191,000).

2. Maturity of borrowings

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Within 1 year	139	137
Between 1 and 2 years	139	137
Between 2 and 5 years	48,402	47,488
Total Borrowings	48,680	47,762

3. The carrying amount and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Bank borrowings	48,668	47,816	48,668	47,984

As at June 30, 2025, the fair values of bank borrowings are based on discounted cash flows using applicable discount rates based upon the prevailing market rates of interest available to the Group for financial instruments with substantially the same terms and characteristics as at the balance sheet dates. Such discount rates were 2.6% as at June 30, 2025 (December 31, 2024: 2.6%), and were within Level 2 of the fair value hierarchy.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

13 BORROWINGS (Continued)**4. Weighted average annual interest rates**

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Bank borrowings	2.7%	4.1%

14 PROVISIONS

	As at June 30, 2025 (Unaudited)			As at December 31, 2024 (Audited)		
	Current US\$'000	Non- current US\$'000	Total US\$'000	Current US\$'000	Non- current US\$'000	Total US\$'000
Litigation ⁽ⁱ⁾	13	1,048	1,061	15	843	858
Environmental liabilities ⁽ⁱⁱ⁾	150	11,731	11,881	150	11,787	11,937
Warranties ⁽ⁱⁱⁱ⁾	31,236	53,979	85,215	39,733	34,744	74,477
Decommissioning ^(iv)	–	11,010	11,010	–	10,729	10,729
Other provision	–	1,760	1,760	–	1,760	1,760
	31,399	79,528	110,927	39,898	59,863	99,761

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

14 PROVISIONS (Continued)

Movement of provisions is as follows:

	Litigation ⁽ⁱ⁾ US\$'000	Environmental liabilities ⁽ⁱⁱ⁾ US\$'000	Warranties ⁽ⁱⁱⁱ⁾ US\$'000	Decom- missioning ^(iv) US\$'000	Other Provision US\$'000	Total US\$'000
Six months ended June 30, 2025 (Unaudited)						
As at January 1, 2025	858	11,937	74,477	10,729	1,760	99,761
Additions, net	172	2	26,739	229	–	27,142
Payments	(50)	(63)	(18,428)	–	–	(18,541)
Exchange differences	81	5	2,427	52	–	2,565
As at June 30, 2025	1,061	11,881	85,215	11,010	1,760	110,927
Six months ended June 30, 2024 (Unaudited)						
As at January 1, 2024	13,867	11,989	50,682	10,317	500	87,355
(Reversals) additions, net	(6,370)	(2)	20,226	222	(500)	13,576
Payments	(5,517)	(15)	(10,737)	–	–	(16,269)
Exchange differences	(149)	(7)	(887)	(19)	–	(1,062)
As at June 30, 2024	1,831	11,965	59,284	10,520	–	83,600

Notes:

(i) Litigation

The balance represents a provision primarily for certain labour claims brought against the Group. Litigation is subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. Based on current available information, it is the opinion of management that the outcome of such matters will not have a material adverse impact on the Group.

(ii) Environmental liabilities

A provision is recognised for remediation costs to be incurred for the restoration of the manufacturing sites upon the initial recognition of the related assets.

(iii) Warranties

A provision is recognised for warranty costs associated with products sold to the customer principally at the time of sale or when it is determined that such obligations are probable and can be reasonably estimated.

(iv) Decommissioning

This represents asset retirement obligations at certain of the Group's facilities.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

15 DEFERRED REVENUE

Contract liabilities are associated with consideration received from customers in advance of transferring goods promised in the contract. The Group periodically receives upfront consideration from customers in connection with engineering, prototyping and pre-production programme-specific activities. These revenue amounts are deferred and recognised over the life of the related programme, which typically ranges between four and seven years. The carrying amount of deferred revenue is as follows:

	As at June 30, 2025 (Unaudited)			As at December 31, 2024 (Audited)		
	Current US\$'000	Non- current US\$'000	Total US\$'000	Current US\$'000	Non- current US\$'000	Total US\$'000
Pre-production activity	24,382	107,313	131,695	25,329	108,062	133,391

Movement of deferred revenue is as follows:

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Audited)
As at January 1	133,391	137,473
Additions	13,111	14,239
Recognised in profit or loss	(16,358)	(27,657)
Exchange differences	1,551	(746)
As at June 30	131,695	123,309

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

16 TRADE PAYABLES

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Trade payables	843,721	821,874
Notes payable	46,352	51,298
	890,073	873,172

Certain vendors in China are paid for goods and services through the use of notes payable, which are included in trade payables. As at June 30, 2025, notes payable outstanding was in the amount of US\$46,352,000 (December 31, 2024: US\$51,298,000).

The ageing analysis of trade payables based on invoice date is as follows:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
0 to 30 days	414,016	391,589
31 to 60 days	259,085	243,284
61 to 90 days	129,567	135,169
91 to 120 days	39,157	39,891
Over 120 days	48,248	63,239
	890,073	873,172

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

17 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Accrued expenses	173,205	164,167
Deposits from customers	1,344	1,111
Other taxes payable	12,312	8,096
Dividends payable to equity holders of the Company	21,835	–
Dividends payable to non-controlling interests	16,065	–
Others	12,328	26,367
	237,089	199,741
Less: non-current portion	(33,399)	(30,724)
Current portion	203,690	169,017

18 OTHER GAINS, NET

	For the six months ended June 30, 2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Foreign exchange losses, net	(7,038)	(253)
Gains (losses) on disposal of property, plant and equipment	262	(1,497)
Others	8,568	3,174
	1,792	1,424

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

19 EXPENSE BY NATURE

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Raw materials, including work-in-progress and finished goods	1,479,635	1,339,211
Employee labour and benefit costs	302,559	322,679
Temporary labour costs	60,036	49,496
Supplies and tools	84,922	98,016
Depreciation on property, plant and equipment (note 7)	70,492	72,866
Depreciation on right-of-use assets (note 8)	6,986	9,233
Amortisation on intangible assets (note 7)	60,811	60,186
Impairment charges on		
– trade receivables (note 9)	166	4,439
– intangible assets (note 7) ⁽ⁱ⁾	1,579	37,699
Customer recovery income related to impairments (note 7)	(2,643)	(24,000)
Write-down on inventories	1,134	103
Warranty expenses (note 14)	26,739	20,226
Auditors' remuneration		
– audit and non-audit services	231	379
Others	58,265	68,507
Total cost of sales, engineering and product development costs, selling and distribution, and administrative expenses	2,150,912	2,059,040

Note:

- (i) For the six months ended June 30, 2025, impairments of US\$1.6 million were recorded within engineering and product development costs in the Condensed Financial Information. Impairments for the six months ended June 30, 2024 were US\$37.7 million, of which US\$7.3 million were recorded within engineering and product development costs and US\$30.4 million were recorded within cost of sales in the Condensed Financial Information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

20 SHARE-BASED PAYMENTS**(a) Share options**

Pursuant to a shareholders' resolution passed on June 5, 2014, the Company adopted a share option scheme (the **Share Option Scheme**). The Share Option Scheme had remained in force for a period of 10 years commencing from June 5, 2014 until its expiration on June 5, 2024. The period within which the option may be exercised must expire no later than 10 years from the relevant date of grant.

The options will be vested and become exercisable after the grantees complete a period of service of 1 to 3 years from the date of grant and subject to the Group achieving its performance targets.

Movements in the number of share options outstanding and their weighted average exercise prices are as follows:

	Weighted average exercise price (per share) HK\$	Outstanding options (thousands)
As at January 1, 2024 (Audited) and as at June 30, 2024 (Unaudited)	5.126	8,635
Exercisable as at June 30, 2024	11.094	1,085
As at January 1, 2025 (Audited)	5.830	4,743
Forfeited	4.268	(117)
As June 30, 2025 (Unaudited)	5.870	4,626
Exercisable as at June 30, 2025	11.094	1,085

There were no options granted during the six months ended June 30, 2025 or the six months ended June 30, 2024. No options were available for grant as at June 30, 2025 as the Share Option Scheme expired on June 5, 2024.

The weighted average remaining contractual life for the share options outstanding as at June 30, 2025 was 6.1 years (December 31, 2024: 6.6 years). The range of exercise prices for options outstanding as at June 30, 2025 was HK\$4.268 to HK\$12.456 (December 31, 2024: HK\$4.268 to HK\$12.456).

The fair value of the share options charged to the Condensed Financial Information was US\$nil for the six months ended June 30, 2025 (six months ended June 30, 2024: US\$169,000).

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

20 SHARE-BASED PAYMENTS (Continued)**(b) Restricted Units and Performance Units**

On March 26, 2024, the Board approved the adoption of the Value Creation Plan (**VCP**).

Restricted Units granted under the VCP shall be settled in cash and shall vest based on continued service over a three-year vesting period and based on Company's share price. The cash value will be converted into the number of units at the beginning of the service period, using the average closing price per share for the twenty trading dates immediately prior to the first trading day of the service period. At the end of the service period the units will be reconverted into cash value calculated based on the average closing price per share for the twenty trading dates immediately prior to the last trading day of the service period. Dividend equivalents are accrued (without interest) and cash-settled on the vested Restricted Units. If the participant leaves the Company before the end of vesting period for any reasons, the Restricted Units will be forfeited and cancelled.

Performance Units granted under the VCP shall be settled in cash and shall be based on continued service and a three-year performance of total shareholder return, as determined by the Board, when comparing against the performance of selected global peer group, which may range from 0% to 300% for the target award amount. Dividend equivalents are accrued (without interest) and cash-settled on the vested Performance Units. If the participant leaves the Company before the end of vesting period for any reasons, the Performance Units will be forfeited and cancelled.

Restricted Units and Performance Units are expected to be settled in cash and are accounted for as cash-settled share based payments.

Pursuant to the VCP, the Company granted 1,395,000 Restricted Units and 4,184,000 Performance Units awards to certain eligible individuals on June 28, 2024 (**2024 Awards**). The 2024 Awards remain in force for a service period beginning on January 1, 2024, and will end on December 31, 2026 and include the performance conditions defined above.

Pursuant to the VCP, the Company granted 2,077,000 Restricted Units and 6,232,000 Performance Units awards to certain eligible individuals on March 20, 2025 (**2025 Awards**). The 2025 Awards remain in force for a service period beginning on January 1, 2025, and will end on December 31, 2027 and include the performance conditions defined above.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

20 SHARE-BASED PAYMENTS (Continued)**(b) Restricted Units and Performance Units** (Continued)

Restricted Unit and Performance Unit transactions and related information for the six months ended June 30, 2025 was as follows:

	Outstanding Restricted Units (thousands)	Weighted average fair value of Restricted Units (per unit) HK\$	Outstanding Performance Units (thousands)	Weighted average fair value of Performance Units (per unit) HK\$
As at January 1, 2024 (Audited)	—	—	—	—
Granted	1,395	4.066	4,184	2.686
Dividend equivalent units awarded	32	4.101	98	2.709
As at June 30, 2024 (Unaudited)	1,427	4.037	4,282	2.666
As at January 1, 2025	1,427	3.313	4,282	—
Granted	2,077	4.066	6,232	6.099
Forfeited	(41)	3.291	(126)	—
Dividend equivalent units awarded	233	5.530	700	7.634
As at June 30, 2025 (Unaudited)	3,696	5.513	11,088	7.634

The total fair value of Restricted Units and Performance Units charged to the Condensed Financial Information during the six months ended June 30, 2025, was US\$2,661,000 (six months ended June 30, 2024: US\$5,000). No cash was paid to settle the 2024 Awards and the 2025 Awards during the six months ended June 30, 2025 and 2024.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

20 SHARE-BASED PAYMENTS (Continued)**(b) Restricted Units and Performance Units** (Continued)

The fair value of the Restricted Units is determined based on the closing price of the Company's shares as of June 30, 2025. The fair value of Performance Units is estimated using a Monte Carlo simulation. Expected volatility was calculated based on historical stock price volatility. The dividend yield was based on Company's historical patterns and future expectation. The fair value of the Performance Units was estimated using the following assumptions:

	For the six months ended June 30, 2025 (Unaudited)	For the six months ended June 30, 2024 (Unaudited)
The 20-day average stock price as of June 30	HK\$5.513	HK\$4.037
Range of expected volatilities	62.98%-68.37%	57.57%
Weighted average expected volatility	65.14%	57.57%
Expected dividend yield	1.14%	0.66%
Range of the expected term	1.5-2.5 years	2.5 years
Range of risk-free rates	3.70%-3.84%	4.52%

21 FINANCE INCOME/FINANCE COSTS

	For the six months ended June 30, 2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Finance income		
Interest on bank deposits	4,182	3,131
Finance costs		
Interest on bank borrowings	1,648	3,246
Interest on leases	1,389	1,309
Other finance costs	2,402	4,150
	5,439	8,705
Less: amount capitalised in qualifying assets	(2,049)	(3,396)
	3,390	5,309
	792	(2,178)

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

22 INCOME TAX EXPENSE

For the six months ended June 30, 2025, the Group recorded income tax expense in the Condensed Financial Information of US\$26,667,000 (six months ended June 30, 2024: US\$17,729,000).

For interim income tax reporting, the Group estimates its annual effective tax rate and applies it to its ordinary income for the six months ended June 30, 2025 and 2024. The tax effects of certain unusual or infrequently occurring items, including changes in judgement about whether it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered and effects of changes in tax laws or rates are recognised in the interim period in which they occur.

The Organization for Economic Cooperation and Development has agreed to enact Pillar Two legislation. Pillar Two framework aims to ensure that certain multi-national enterprises (**MNEs**) pay a minimum tax rate on income within each jurisdiction in which they operate. Generally, the framework imposes a tax on profits arising in jurisdictions where the effective tax rate is below 15%.

Pillar Two legislation has been enacted, or substantively enacted, in certain jurisdictions in which the Group operates. The legislation became effective for the Group's financial year beginning January 1, 2024 for certain jurisdictions, and took effect on January 1, 2025 for the Group's remaining jurisdictions.

The Group is in scope of Pillar Two legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes based on the most recent country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates meet the transitional safe harbor rules. Where the transitional safe harbor relief does not apply, the Group does not incur a material liability to Pillar Two income taxes. Therefore, based on the Amendments to IAS 12 "Income Taxes": International Tax Reform – Pillar Two Model Rules, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published.

On July 4, 2025, the One Big Beautiful Bill Act (**OBBBA**) was enacted in the United States, introducing significant changes to tax legislation with various effective dates. The Group is currently evaluating the potential impacts of the relevant tax provisions under OBBBA on its consolidated financial statements.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

23 EARNINGS PER SHARE**a. Basic**

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to equity holders of the Company (US\$'000)	63,480	15,695
Weighted average number of ordinary shares in issue (thousands)	2,509,824	2,509,824
Basic earnings per share (in US\$)	0.025	0.006

b. Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares comprise shares issued under the Share Option Scheme as at June 30, 2025. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the six months ended June 30, 2025) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares within the denominator for calculating diluted earnings per share. For the six months ended June 30, 2025 and 2024, the details are in the table below. The computation of diluted earnings per share for the six months ended June 30, 2025 and 2024 does not assume the exercise of the share options because the adjusted exercise prices of those share options were higher than the average market prices per share.

	For the six months ended June 30,	
	2025 (Unaudited)	2024 (Unaudited)
Profit attributable to equity holders of the Company, used to determine diluted earnings per share (US\$'000)	63,480	15,695
Weighted average number of ordinary shares in issue for calculating diluted earnings per share (thousands)	2,509,824	2,509,824
Diluted earnings per share (in US\$)	0.025	0.006

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

24 DIVIDEND

On June 18, 2025, the Board declared a dividend of approximately US\$21,835,000 relating to the Group's year ended December 31, 2024 earnings payable on July 9, 2025. The Company declared a dividend of US\$7,529,000 during the six months ended June 30, 2024 relating to the Group's year ended December 31, 2023 earnings. The Board does not recommend the payment of any interim dividend for the six months ended June 30, 2025 (six months ended June 30, 2024: US\$nil).

On June 13, 2025, the two shareholders of Nexteer Lingyun Driveline (Zhuzhou) Co., Ltd. declared a dividend of approximately Renminbi (RMB)100,000,000 payable on July 18, 2025. Dividends payable to non-controlling interests related to this declaration amount to RMB40,000,000 (equivalent to US\$10,467,000).

On June 13, 2025, the two shareholders of Nexteer Lingyun Driveline (Wuhu) Co., Ltd. declared a dividend of approximately Renminbi (RMB)188,000,000 payable on July 18, 2025. Dividends payable to non-controlling interests related to this declaration amount to RMB75,200,000 (equivalent to US\$5,568,000).

25 COMMITMENTS**Capital commitments**

The Group has capital commitments of US\$89,838,000 as at June 30, 2025 to purchase property, plant and equipment which are contracted but not provided for (December 31, 2024: US\$55,947,000).

26 RELATED PARTY TRANSACTIONS**a. Transactions with Yubei Steering Systems Co., Ltd. (Yubei Steering), an associate of AVIC**

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Purchase of goods	825	2,111

b. Transactions with a joint venture

The following table sets forth the transactions between the Group and its joint venture.

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Sale of product, equipment and services ⁽ⁱ⁾	57,044	47,215
Purchase of services ⁽ⁱ⁾	4,371	5,182

Note:

i. Services include engineering services, rent and other fees.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2025

26 RELATED PARTY TRANSACTIONS (Continued)**b. Transactions with a joint venture** (Continued)

Information about the Group's joint venture is disclosed as follows:

Nexteer (China) Holding Co., Ltd. (**Nexteer China Holding**) (a direct, wholly-owned subsidiary of the Company) holds a 50% ownership interest in a joint venture, Chongqing Nexteer Steering Systems Co., Ltd. (**Chongqing Nexteer**) in Chongqing, China. The joint venture was formed to manufacture and sell steering parts, and the remaining 50% interest is held by Chongqing Jianshe Industry (Group) Co., Ltd.

As at June 30, 2025 the Group's carrying amount of its investment in a joint venture is US\$24,477,000 (December 31, 2024: US\$22,715,000). For the six months ended June 30, 2025, the Group's share of results from the joint venture amount to US\$1,761,000 (June 30, 2024: US\$1,657,000).

c. Key management compensation

The remunerations of the CEO, directors and other key management members were as follows:

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Short-term employee benefits	8,421	4,627
Other long-term benefits	1,155	1,191
Share-based payments	2,661	44
	12,237	5,862

These remunerations are determined based on the performance of individuals and market trends.