Huazhong In-Vehicle Holdings Company Limited
華眾車載控股有限公司
(incorporated in the Cayman Islands with limited liability)
Stock code: 6830

2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Zhou Minfeng
(Chairman and Chief Executive)
Mr. Liu Genyu

Non-executive Directors

Ms. Lai Cairong
Mr. Guan Xin
Mr. Yu Zhuoping

Independent non-executive Directors

Ms. Xu Li (appointed on 30 June 2025)
Mr. Wang Dongchen
Mr. Xu Jiali
Mr. Wong Luen Cheung Andrew *(Vice-chairman)*
(resigned on 30 June 2025)

AUDIT COMMITTEE

Ms. Xu Li (appointed on 30 June 2025)
Mr. Wang Dongchen
Mr. Xu Jiali
Mr. Wong Luen Cheung Andrew *(Chairman)*
(resigned on 30 June 2025)

REMUNERATION COMMITTEE

Mr. Wang Dongchen *(Chairman)*
Mr. Zhou Minfeng
Mr. Xu Jiali

NOMINATION COMMITTEE

Mr. Zhou Minfeng *(Chairman)*
Mr. Wang Dongchen
Mr. Xu Jiali

COMPANY SECRETARY

Ms. Ho Wing Yan *(ACG, HKACG(PE))*

AUTHORISED REPRESENTATIVES

Mr. Zhou Minfeng
Ms. Ho Wing Yan *(ACG, HKACG(PE))*

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS IN CHINA

No. 104 Zhenan Road
Xizhou Town
Xiangshan County
Zhejiang Province
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3005-7, 30/F.,
Great Eagle Centre,
23 Harbour Road,
Wanchai, Hong Kong

PRINCIPAL BANKERS

Bank of China
Agricultural Bank of China

LEGAL ADVISER AS TO HONG KONG LAW

Long An & Lam LLP

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

SHARE REGISTRARS

Principal Share Registrar and Transfer Office in the Cayman Islands

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1110,
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

LISTING EXCHANGE INFORMATION

The Stock Exchange of Hong Kong Limited
Main Board

STOCK CODE

6830

COMPANY WEBSITE

www.cn-huazhong.com

BUSINESS AND MARKET REVIEW

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

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

FINANCIAL REVIEW

Revenue

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

(i) automotive interior and exterior structural and decorative parts;

(ii) moulds and tooling;

(iii) casings and liquid tanks of air conditioners and heaters;

(iv) non-automotive products; and

(v) sale of raw materials.

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

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

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

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

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

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

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

Other Income and Gains

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

Selling and Distribution Expenses

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

Administrative Expenses

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

Share of Profits of a joint venture

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

Finance Income

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

Finance Costs

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

Taxes

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

Liquidity and Financial Resources

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

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

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

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

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

Capital Commitments

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

Foreign Exchange Exposure

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

Capital Structure

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

Contingent Liabilities

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

Pledge of Assets

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

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

Gearing Ratio

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

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

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

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

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

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

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

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

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

Employees and Remuneration Policies

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

Events After the Reporting Period

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

PROSPECT

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

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

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

Forward Looking Statements

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

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

CORPORATE GOVERNANCE CODE

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

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

Code Provision C.2.1

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2025, the Directors and the chief executive of the Company had the following interests or short positions in the shares (the "**Shares**"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and the chief executive of the Company are taken or deemed to have under such provisions of the SFO, or which are required to be and are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Long Positions in the Company

Name of Director	Capacity/ Nature of interest	Number of Shares	Approximate percentage of the issued Shares
Mr. Zhou Minfeng	Interests of controlled corporation [1]	1,320,000,000	74.61%
	Beneficial owner	900,000	0.05%
	Spouse's interest	1,100,000[2]	0.06%

Notes:

(1) Mr. Zhou Minfeng is deemed to be interested in Shares held by Huayou Holdings Company Limited ("**Huayou Holdings**") by virtue of Huayou Holdings being wholly-owned by Mr. Zhou Minfeng.

(2) Ms. Chen Chun'er, the spouse of Mr. Zhou Minfeng, has interest in 1,100,000 Shares. Therefore, Mr. Zhou Minfeng is deemed to be interested in Ms. Chen Chun'er's Shares.

Save as disclosed above, as at 30 June 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code.

At no time was the Company, its holding company, or any of its subsidiaries a party to any arrangements to enable the Directors and the chief executive of the Company (including their spouse and children under 18 years of age) to hold any interest 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).

SHARE OPTION SCHEMES

2011 Share Option Scheme

The Company adopted a share option scheme (the "**2011 Share Option Scheme**") on 15 December 2011 for the purpose of giving certain eligible persons an opportunity to have a personal stake in the Company and motivating them to optimize their future performance and efficiency to the Group and/or rewarding them for their past contributions, and attracting and retaining, or otherwise maintaining on-going relationships with, such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

The 2011 Share Option Scheme was terminated by the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on 2 June 2021. Outstanding share options granted under the 2011 Share Option Scheme prior to such termination shall continue to be valid and, subject to the vesting schedule, exercisable in accordance with the 2011 Share Option Scheme.

There were no outstanding options, and there were no options granted, exercised, lapsed or cancelled pursuant to the 2011 Share Option Scheme during the six months ended 30 June 2025 and as at the date of this report.

The number of share options available for grant under the scheme mandate of the 2011 Share Option Scheme as at 1 January 2025 and 30 June 2025 is 0.

The number of shares that may be issued in respect of options granted under 2011 Share Option Scheme of the Company during the six months ended 30 June 2025 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 June 2025.

2021 Share Option Scheme

The adoption of a new share option scheme (the "**2021 Share Option Scheme**") was approved by the Shareholders at the annual general meeting of the Company held on 2 June 2021. The purpose of the 2021 Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group and to encourage participants to work towards enhancing value of the Company and its shares for the benefits of the Company and the Shareholders as a whole. The 2021 Share Option Scheme was adopted for a period of 10 years commencing from 2 June 2021. No share option has been granted, exercised, lapsed or cancelled under the 2021 Share Option Scheme up to the date of this report.

The number of share options available for grant under the scheme mandate of the 2021 Share Option Scheme as at 1 January 2025 and 30 June 2025 is 176,919,380.

The number of shares that may be issued in respect of options granted under 2021 Share Option Scheme of the Company during the six months ended 30 June 2025 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 June 2025.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in "Share Option Schemes" above, at no time during the six months ended 30 June 2025 were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Director or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements which enable the Directors to acquire benefits by means of the acquisition of Shares in, or debt securities (including debentures) of the Company or any other body corporate.

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

So far as is known to any Director or the chief executive of the Company, as at 30 June 2025, the persons or corporations (other than Director or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long Positions in the Company

Name	Capacity/Nature of Interest	Number of Shares	Approximate percentage of the issued Shares
Huayou Holdings [1]	Beneficial owner	1,320,000,000	74.61%
Zhou Minfeng	Beneficial owner	900,000	0.05%
Ms. Chen Chun'er [2]	Beneficial owner	1,100,000	0.06%
	Spouse's interest	1,320,000,000[3]	74.61%

Notes:

(1) Huayou Holdings is wholly-owned by Mr. Zhou Minfeng.

(2) Ms. Chen Chun'er is the spouse of Mr. Zhou Minfeng.

(3) Shares held by Huayou Holdings, in which Mr. Zhou Minfeng is deemed to be interested by virtue of Huayou Holdings being wholly-owned by Mr. Zhou Minfeng.

Save as disclosed above, as at 30 June 2025, the Directors and the chief executive of the Company are not aware of any other person or corporation having an interest or short position in the Shares and underlying Shares which would require disclosure to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Direct or indirect interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	Shareholder	Approximate percentage of shareholding
Shanghai Huaxin Automobile Latex and Plastic Co., Ltd.* (上海華新汽車橡塑製品有限公司, "**Shanghai Huaxin**")	Shanghai Automobile Air Conditioner Factory* (上海汽車空調器廠)[1]	30%
Shanghai Huaxin[1]	Shanghai Beicai Industrial Co., Ltd. (上海北蔡工業有限公司)[1]	19%
Changxing Huaxin Automobile Latex and Plastic Co., Ltd (長興華新汽車橡塑製品有限公司, "**Changxing Huaxin**") [1]	Shanghai Automobile Air Conditioner Factory* (上海汽車空調器廠)[1]	30%
Changxing Huaxin [1]	Shanghai Beicai Industrial Co., Ltd. (上海北蔡工業有限公司)[1]	19%
Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.* (寧波華樂特汽車裝飾布有限公司, "**Ningbo Hualete**")	Roekona Textilwerk GmbH & Co. KG ("**Roekona Textilwerk**")[2]	10%
Ningbo Hualete	zwissTEX Germany GmbH ("**zwissTEX Germany**")[2]	10%
Texline Investment Co., Limited ("**Texline Investment**") [2]	Roekona Textilwerk[2]	10%
Texline Investment [2]	zwissTEX Germany[2]	10%
Ningbo Tex Line Automotive Textiles Co.,Ltd.* (寧波華絡特汽車內飾有限公司, "**Hualuote Ningbo**") [2]	Roekona Textilwerk[2]	10%
Hualuote Ningbo [2]	zwissTEX Germany[2]	10%

Notes:

(1) Shanghai Automobile Air Conditioner Factory* (上海汽車空調器廠) and Shanghai Beicai Industrial Co., Ltd. (上海北蔡工業有限公司) directly hold 30% and 19% interests in Shanghai Huaxin, respectively. Changxing Huaxin is wholly-owned by Shanghai Huaxin and as a result, Shanghai Automobile Air Conditioner Factory* (上海汽車空調器廠) and Shanghai Beicai Industrial Co., Ltd. (上海北蔡工業有限公司) also indirectly hold 30% and 19% interests in Changxing Huaxin, respectively.

(2) Roekona Textilwerk and zwissTEX Germany directly hold 10% and 10% interests in Ningbo Hualete, respectively. Texline Investment is wholly-owned by Ningbo Hualete and Hualuote Ningbo is wholly-owned by Texline Investment. As a result, Roekona Textilwerk indirectly holds 10% interests in Texline Investment and Hualuote Ningbo respectively, while zwissTEX Germany indirectly holds 10% interests in Texline Investment and Hualuote Ningbo respectively.

** For identification purposes only*

Save as disclosed above, as at 30 June 2025, the Directors and the chief executive of the Company are not aware of any other person or corporation who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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

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

INTERIM DIVIDENDS

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

AUDIT COMMITTEE

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

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

APPRECIATION

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

On behalf of the Board
Zhou Minfeng
Chairman and Chief Executive

Zhejiang, the PRC, 29 August 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	**955,046**	774,645
Cost of sales		**(693,747)**	(549,856)
Gross profit		**261,299**	224,789
Other income and gains	5	**22,984**	21,719
Selling and distribution expenses		**(71,008)**	(58,253)
Administrative expenses		**(182,366)**	(165,089)
Impairment losses on financial assets, net		**1,389**	(883)
Other expenses		**(2,185)**	(393)
Finance income		**1,069**	1,578
Finance costs		**(11,058)**	(12,847)
Share of profits and losses of:			
a joint venture		**9,555**	15,274
an associate		**(200)**	—
PROFIT BEFORE TAX	6	**29,479**	25,895
Income tax expense	7	**(5,436)**	(4,891)
PROFIT FOR THE PERIOD		**24,043**	21,004
Attributable to:			
Owners of the parent		**25,891**	18,240
Non-controlling interests		**(1,848)**	2,764
		24,043	21,004
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
— For profit for the period		**0.0146**	0.0103

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**1,036,774**	1,023,813
Investment properties		**24,154**	25,600
Right-of-use assets		**253,718**	242,849
Intangible assets		**11,201**	4,940
Investments in a joint venture		**135,286**	148,385
Investments in an associate		**2,189**	2,389
Advance payments for property, plant and equipment		**95,017**	65,082
Equity investments designated at fair value through other comprehensive income		**116,581**	125,056
Pledged deposits		**—**	30,000
Deferred tax assets		**33,946**	31,239
Amounts due from a related party		**60,023**	60,023
Other non-current assets		**825**	1,275
Total non-current assets		**1,769,714**	1,760,651
CURRENT ASSETS			
Inventories		**727,138**	611,674
Trade and notes receivables	11	**876,707**	876,828
Financial assets at fair value through profit or loss		**9,947**	20,000
Prepayments, other receivables and other assets		**257,837**	259,655
Amounts due from related parties		**33,328**	45,840
Pledged deposits		**99,466**	48,717
Cash and cash equivalents		**119,821**	161,143
Total current assets		**2,124,244**	2,023,857
CURRENT LIABILITIES			
Trade and notes payables	12	**1,298,238**	1,216,348
Other payables and accruals		**285,913**	292,877
Interest-bearing bank and other borrowings		**434,070**	256,041
Amounts due to related parties		**19,190**	16,503
Tax payable		**29,118**	33,794
Total current liabilities		**2,066,529**	1,815,563
NET CURRENT ASSETS		**57,715**	208,294
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,827,429**	1,968,945

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**244,260**	358,171
Government grants	**16,102**	16,405
Deferred tax liabilities	**28,472**	29,139
Total non-current liabilities	**288,834**	403,715
Net assets	**1,538,595**	1,565,230
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**142,956**	142,956
Reserves	**1,260,906**	1,245,929
	1,403,862	1,388,885
Non-controlling interests	**134,733**	176,345
Total equity	**1,538,595**	1,565,230

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital RMB'000	Share premium* RMB'000	Statutory reserve funds* RMB'000	Merger reserve* RMB'000	Fair value reserve of equity investments designated at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Retained earnings* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025 (audited)	**142,956**	**8,157**	**118,667**	**88,278**	**66,286**	**256**	**964,285**	**1,388,885**	**176,345**	**1,565,230**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**(6,356)**	**(145)**	**25,891**	**19,390**	**(1,848)**	**17,542**
Acquisition of non-controlling interests	**—**	**587**	**—**	**—**	**—**	**—**	**—**	**587**	**(37,314)**	**(36,727)**
Dividends paid to a non-controlling shareholder	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2,450)**	**(2,450)**
Final dividends	**—**	**—**	**—**	**—**	**—**	**—**	**(5,000)**	**(5,000)**	**—**	**(5,000)**
As at 30 June 2025 (unaudited)	**142,956**	**8,744**	**118,667**	**88,278**	**59,930**	**111**	**985,176**	**1,403,862**	**134,733**	**1,538,595**
As at 1 January 2024 (audited)	142,956	8,157	118,667	88,278	101,942	(13)	926,736	1,386,723	166,809	1,553,532
Total comprehensive loss for the period	—	—	—	—	(40,199)	2,892	18,240	(19,067)	2,764	(16,303)
Dividends paid to a non-controlling shareholder	—	—	—	—	—	—	—	—	(2,450)	(2,450)
Final dividends	—	—	—	—	—	—	(4,360)	(4,360)	—	(4,360)
As at 30 June 2024 (unaudited)	142,956	8,157	118,667	88,278	61,743	2,879	940,616	1,363,296	167,123	1,530,419

* These reserve accounts comprise the consolidated reserves of RMB1,260,906,000 (30 June 2024: RMB1,220,340,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Profit before tax		**29,479**	25,895
Adjustments for:			
Foreign exchange fluctuation		**(1,415)**	3,016
Finance costs		**11,058**	12,847
Share of profits of a joint venture		**(9,555)**	(15,274)
Share of losses of an associate		**200**	—
Finance income		**(1,069)**	(1,578)
Fair value losses on financial assets at fair value through profit or loss		**53**	—
Gain on disposal of items of property, plant and equipment	5	**(90)**	(240)
Amortizations of government grants		**(693)**	(84)
Depreciation of property, plant and equipment		**61,829**	55,456
Depreciation of right-of use assets		**10,845**	8,730
Depreciation of investment properties		**1,446**	1,446
Amortisation of intangible assets		**299**	744
Amortisation of non current assets		**450**	450
Write-down of inventories to net realisable value		**3,488**	(1,148)
Impairment of financial assets, net	6	**(1,389)**	883
		104,936	91,143
Increase in inventories		**(118,952)**	(43,341)
(Increase)/decrease in trade and notes receivables		**(10,711)**	152,996
Decrease/(increase) in prepayments, other receivables and other assets		**1,818**	(24,651)
Decrease/(increase) in amounts due from related parties		**12,512**	(31,419)
Increase in amounts due to the ultimate controlling shareholder		**—**	22
Increase in trade and bills payables		**81,223**	45,829
Decrease in other payables and accruals		**(8,283)**	(43,061)
(Decrease)/increase in amounts due to related parties		**(1,043)**	4,733
Increase in pledged deposits		**(20,749)**	(9,413)
Cash generated from operations		**40,751**	142,838
Income tax paid		**(11,367)**	(12,426)
Net cash flows from operating activities		**29,384**	130,412

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from investing activities		
Interest received	**1,069**	1,726
Purchases of items of property, plant and equipment	**(115,312)**	(89,563)
Purchases of items of leasehold land	**—**	(465)
Purchases of items of intangible assets	**(726)**	(131)
Proceeds from disposal of items of property, plant and equipment	**6,834**	5,662
Addition of investments in associate	**—**	(3,000)
Purchases of financial assets at fair value through profit or loss	**—**	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss	**10,000**	—
Dividends received from a joint venture	**22,654**	9,000
Net cash flows used in investing activities	**(75,481)**	(86,771)
Cash flows from financing activities		
New bank loans	**401,000**	528,056
Repayment of bank loans	**(337,950)**	(480,054)
Principal portion of lease payment	**(8,425)**	(6,570)
Dividends paid	**—**	(1,057)
Dividends paid to non-controlling shareholders	**(2,450)**	—
Decrease in pledged deposits	**—**	(23,810)
Interest paid	**(10,619)**	(12,424)
Acquisition of non-controlling interests	**(36,727)**	—
Net cash flows from financing activities	**4,829**	4,141
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(41,268)**	47,782
Cash and cash equivalents at beginning of the period	**161,143**	112,219
Effect of foreign exchange rate changes, net	**(54)**	(124)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**119,821**	159,877
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**119,821**	159,877
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	**119,821**	159,877
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	**119,821**	159,877

1. CORPORATE INFORMATION

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

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

2. BASIS OF PREPARATION

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

3. CHANGES IN ACCOUNTING POLICIES

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

Amendments to IAS 21	*Lack of Exchangeability*

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

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

4. OPERATING SEGMENT INFORMATION

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

Geographical Information

(a) Revenue from external customers

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

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

(b) Non-current assets

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

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

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

5. REVENUE, OTHER INCOME AND GAINS *(Continued)*

An analysis of other income and gains is as follows:

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

6. PROFIT BEFORE TAX

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

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

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

7. INCOME TAX

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

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

8. DIVIDENDS

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

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

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

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

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(Continued)*

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

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	**25,891**	18,240

	Number of shares For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,769,193,800**	1,769,193,800

The Group had no potentially dilutive ordinary shares in issue during the period.

10. PROPERTY, PLANT AND EQUIPMENT

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

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

11. TRADE AND NOTES RECEIVABLES

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

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

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

12. TRADE AND NOTES PAYABLES

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

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

Certain bills payable was secured by pledged deposits of the Group with a carrying value of RMB69,277,000 as at 30 June 2025 (31 December 2024: RMB48,717,000).

13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Property, plant and equipment	**142,462**	118,475

14. RELATED PARTY TRANSACTIONS AND BALANCES

(a) The Group had the following material transactions with related parties during the period:

		For the six months ended 30 June	
		2025	2024
	Notes	**RMB'000**	RMB'000
		(Unaudited)	(Unaudited)
Sales of goods to:	(i)		
A joint venture		**23,997**	25,176
Entities with significant influence by Mr. Zhou's brother		**3,647**	28,769
		27,644	53,945
Purchases of goods from:	(ii)		
A joint venture		**78**	322
Entities with significant influence by Mr. Zhou's brother		**3,480**	1,954
An entity with significant influence by the key management personnel		**2,423**	3,551
An entity collectively controlled by Mr. Zhou's parents		**889**	43
		6,870	5,870
Gross rental income from:	(iii)		
A joint venture		**4,975**	4,975
Management fee from:	(iv)		
A joint venture		**3,181**	4,285
Research and development fee from:	(v)		
An entity with significant influence by the key management personnel		**—**	2,770

Notes:

(i) The sales of goods to the related parties were made according to the prices and terms agreed between the related parties.

(ii) The purchases of goods from the related parties were made according to the prices and terms offered by the related parties.

(iii) The gross rental income from related parties were made in accordance with the terms and conditions agreed between the related parties through lease agreements.

(iv) The management fee from the related party was in accordance with the terms agreed between the related parties through management fee agreements.

(v) The research and development fee from the related party was in accordance with the terms agreed between the related parties through research and development fee agreements.

14. RELATED PARTY TRANSACTIONS AND BALANCES *(Continued)*

(b) Outstanding Balances with Related Parties

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Amounts due from related parties:		
A joint venture	**32,637**	27,834
An entity collectively controlled by Mr. Zhou's parents	**—**	280
Entities with significant influence by Mr. Zhou's brother	**691**	17,726
An entity with significant influence by the key management personnel	**60,023**	60,023
	93,351	105,863
Amounts due to related parties:		
Entities with significant influence by Mr. Zhou's brother	**5,001**	5,404
An entity collectively controlled by Mr. Zhou's parents	**633**	829
Entities with significant influence by the key management personnel	**13,556**	10,270
	19,190	16,503

(c) Compensation of Key Management Personnel of the Group

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Short term employee benefits	**3,120**	2,811
Pension scheme contributions	**21**	26
Total compensation paid to key management personnel	**3,141**	2,837

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		**Fair values**	
	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)	**30 June 2025 RMB'000 (Unaudited)**	31 December 2024 RMB'000 (Audited)
Financial assets				
Fair value through at fair value through profit or loss	**9,947**	20,000	**9,947**	20,000
Equity investments designated at fair value through other comprehensive income	**116,581**	125,056	**116,581**	125,056
Notes receivable at fair value through other comprehensive income	**107,920**	67,647	**107,920**	67,647
Total	**234,448**	212,703	**234,448**	212,703

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and notes receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, amounts due from/to related parties, and the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of those financial assets and liabilities measured at fair value:

The fair value of the non-current portion of interest-bearing bank and other borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The differences between the carrying amounts and fair values of those financial liabilities are not significant.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

The fair values of certain of unlisted equity investments designated at fair value through other comprehensive income, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as price to earnings ("**P/E**") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group's notes receivable are managed with a business model under which notes receivable are both held to collect contractual cash flows and endorsed to suppliers prior to their expiry date. Accordingly, these notes receivable are measured as fair value through other comprehensive income. The Group has estimated the fair value of these notes receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2025 and 31 December 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input (RMB'000)
Unlisted equity investment				
Investment A	Valuation multiples	Forward average P/E multiples of peers	30 June 2025: 21.70 to 42.54	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by 376/(376)
		Discount for lack of marketability	30 June 2025: 0.00% to 91.30%	10% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by (69)/69
Investment A	Valuation multiples	Forward average P/E multiples of peers	31 Dec 2024: 21.70 to 42.54	10% increase/(decrease) in multiple would result in increase/(decrease) in fair value by 376/(376)
		Discount for lack of marketability	31 Dec 2024: 0.00% to 91.30%	10% increase/(decrease) in discount rate would result in (decrease)/increase in fair value by (69)/69

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(Continued)

Fair Value Hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

As at 30 June 2025

		Fair value measurement using		
	Total RMB'000 (Audited)	Quoted prices in active markets Level 1 RMB'000 (Audited)	Significant observable inputs Level 2 RMB'000 (Audited)	Significant Unobservable inputs Level 3 RMB'000 (Audited)
Fair value through at fair value through profit or loss				
Unlisted investments	9,947	—	—	9,947
Equity investments designated at fair value through other comprehensive income				
Listed investments	112,781	112,781	—	—
Unlisted investments	3,800	—	—	3,800
Notes receivable at fair value through other comprehensive income	107,920	—	107,920	—
Total	234,448	112,781	107,920	13,747

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair Value Hierarchy *(Continued)*

Assets measured at fair value (Continued)

As at 31 December 2024

		Fair value measurement using		
	Total RMB'000 (Audited)	Quoted prices in active markets Level 1 RMB'000 (Audited)	Significant observable inputs Level 2 RMB'000 (Audited)	Significant unobservable inputs Level 3 RMB'000 (Audited)
Fair value through at fair value through profit or loss				
Unlisted investments	20,000	—	—	20,000
Equity investments designated at fair value through other comprehensive income				
Listed investments	121,256	121,256	—	—
Unlisted investments	3,800	—	—	3,800
Notes receivable at fair value through other comprehensive income	67,647	—	67,647	—
Total	212,703	121,256	67,647	23,800

The Group did not have any financial liabilities measured at fair value as at 30 June 2025 (31 December 2024: Nil).

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 June 2024: Nil).

16. EVENTS AFTER THE REPORTING PERIOD

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

17. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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