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慶鈴汽車股份有限公司

QINGLING MOTORS CO. LTD

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

(Stock Code: 1122)

ANNOUNCEMENT OF 2025 RESULTS

The board of directors (the “**Board**”) of Qingling Motors Co. Ltd (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025, which has been prepared in accordance with Hong Kong Financial Reporting Standards as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3,4	4,366,603	4,123,733
Cost of sales		<u>(3,973,828)</u>	<u>(3,852,881)</u>
Gross profit		392,775	270,852
Other income		269,982	307,907
Other expenses		(4,844)	(5,433)
Net impairment (losses) reversal on financial assets		(11,200)	428
Other gains and losses, net		(7,637)	(4,368)
Distribution and selling expenses		(219,812)	(213,112)
Administrative expenses		(204,840)	(204,361)
Research expenses		(214,826)	(185,774)
Finance costs		(2,654)	(2,189)
Share of results of associates		221	(4,370)
Share of results of joint ventures		7,534	5,207
Profit (loss) before tax	5	4,699	(35,213)
Income tax expense	6	<u>(23,877)</u>	<u>(12,559)</u>
Loss and total comprehensive expense for the year		<u>(19,178)</u>	<u>(47,772)</u>
Loss and total comprehensive expense attributable to:			
Owners of the Company		(26,316)	(55,097)
Non-controlling interests		7,138	7,325
		<u>(19,178)</u>	<u>(47,772)</u>
Basic loss per share	8	<u>RMB(0.01)</u>	<u>RMB(0.02)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 RMB'000	2024 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		1,271,362	1,237,481
Right-of-use assets		28,770	35,926
Investment properties		18,168	18,398
Intangible assets		103,742	145,245
Right to returned goods asset		8,664	–
Interests in associate		7,395	7,174
Interests in joint ventures		484,673	488,329
Deferred tax assets		41,333	62,696
Time deposits		106,579	2,057,376
Trade and other receivables	<i>9</i>	674,909	512,962
Finance lease receivables		1,743	2,248
Deposit paid for property, plant and equipment		694	592
		2,748,032	4,568,427
Current assets			
Inventories		1,038,619	1,276,508
Trade, bills and other receivables and prepayments	<i>9</i>	2,384,480	1,382,127
Time deposits		3,168,148	2,268,069
Cash and cash equivalents		1,203,073	688,304
Finance lease receivables		505	493
		7,794,825	5,615,501

	<i>NOTES</i>	2025 RMB'000	2024 <i>RMB'000</i>
Current liabilities			
Trade, bills and other payables	<i>10</i>	2,707,226	2,440,211
Tax liabilities		1,208	460
Contract liabilities		259,005	134,223
Refund liabilities		61,947	65,611
Lease liabilities		7,468	17,118
		<u>3,036,854</u>	<u>2,657,623</u>
Net current assets		<u>4,757,971</u>	<u>2,957,878</u>
Total assets less current liabilities		<u>7,506,003</u>	<u>7,526,305</u>
Capital and reserves			
Share capital	<i>11</i>	2,482,268	2,482,268
Share premium and reserves		4,834,122	4,860,438
Equity attributable to owners of the Company		7,316,390	7,342,706
Non-controlling interests		180,951	177,399
Total equity		<u>7,497,341</u>	<u>7,520,105</u>
Non-current liabilities			
Lease liabilities – non-current liabilities		5,846	2,651
Deferred income – government grants		2,816	3,549
		<u>8,662</u>	<u>6,200</u>
		<u>7,506,003</u>	<u>7,526,305</u>

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

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
For the year ended 31 December 2025					
Sales of light-duty trucks	1,850,402	–	–	–	1,850,402
Sales of pick-up trucks	–	405,297	–	–	405,297
Sales of medium and heavy-duty trucks	–	–	1,278,332	–	1,278,332
Sales of chassis	293,800	–	12,407	–	306,207
Sales of automobile parts, accessories and others	–	–	–	526,365	526,365
Revenue	<u>2,144,202</u>	<u>405,297</u>	<u>1,290,739</u>	<u>526,365</u>	<u>4,366,603</u>
For the year ended 31 December 2024					
Sales of light-duty trucks	1,758,008	–	–	–	1,758,008
Sales of pick-up trucks	–	581,306	–	–	581,306
Sales of medium and heavy-duty trucks	–	–	926,377	–	926,377
Sales of chassis	452,770	63	12,533	–	465,366
Sales of automobile parts, accessories and others	–	–	–	392,676	392,676
Revenue	<u>2,210,778</u>	<u>581,369</u>	<u>938,910</u>	<u>392,676</u>	<u>4,123,733</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group sell trucks, chassis, automobile parts, accessories and others to customers, including independent dealers and certain related parties, according to the relevant sales agreements. Revenue are recognized when control of trucks, chassis, automobile parts, accessories and others has been transferred, being when they have been shipped to the customers' specific locations based on the quantity of trucks, chassis, automobile parts, accessories and others received by the customers. The customers have neither rights of return nor rights to defer or avoid payment for goods once they are accepted by the customers. No provisions for returns of trucks, chassis, automobile parts, accessories and others are set out in the relevant sales agreements, except for replacement due to quality problems. Payments of transaction price for sales of trucks, chassis, automobile parts, accessories and others are agreed at the point when the customers received them. Advance payments in forms of bank remittance and/or bank bills from independent dealers are normally required for sales of light-duty trucks, pick-up trucks, medium and heavy-duties trucks. Sales of chassis, automobile parts, accessories and others to independent dealers, and related parties are required to be settled in three months to five years according to the relevant sales agreements.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of truck, chassis, automobile parts, accessories and others to customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For the contracts where the period between payment and transfer of trucks, chassis, automobile parts, accessories and others to customers is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contracts where the Group transferred the associated trucks, chassis, automobile parts, accessories and other before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognizes interest income during the period between the payment from customers and the transfer of trucks, chassis, automobile parts, accessories and others.

Under the Group's standard contract terms, customers have a right to receive rebates paid by the Company. The Group uses its accumulated historical experience to estimate the amount of consideration to which it will be entitled using the most likely amount. A refund liability is recognized for sales in which revenue has yet been recognized.

Sales-related warranties associated with trucks, chassis, automobile parts, accessories and others cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group has aggregate amount of the transaction price allocated to remaining performance obligations which are mainly in respect of sales of trucks and chassis that are unsatisfied amounted to RMB259,005,000 at 31 December 2025 (2024: RMB134,223,000).

Based on the information available to the Group at the end of the reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied contracts as at 31 December 2025 and 2024 will be recognized as revenue in the following year.

4. SEGMENT INFORMATION

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

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

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

(i) Segment revenue and results

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

For the year ended 31 December 2025

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	<u>2,144,202</u>	<u>405,297</u>	<u>1,290,739</u>	<u>526,365</u>	<u>4,366,603</u>
Result					
Segment (loss) profit	<u>(56,792)</u>	<u>(42,039)</u>	<u>72,927</u>	<u>80,205</u>	<u>54,301</u>
Other income					269,982
Other expenses					(4,844)
Net impairment losses on financial assets					(11,200)
Other gains and losses, net					(7,637)
Central administration costs					(86,178)
Research expenses					(214,826)
Finance costs					(2,654)
Share of results of associate					221
Share of results of joint ventures					<u>7,534</u>
Profit before tax					<u>4,699</u>

For the year ended 31 December 2024

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue	2,210,778	581,369	938,910	392,676	4,123,733
Result					
Segment (loss) profit	(49,202)	(15,788)	10,087	50,394	(4,509)
Other income					265,059
Other expenses					(5,433)
Net impairment reversal on financial assets					428
Other gains and losses, net					(4,368)
Central administration costs					(99,264)
Research expenses					(185,774)
Finance costs					(2,189)
Share of results of associates					(4,370)
Share of results of joint ventures					5,207
Loss before tax					(35,213)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss incurred from) profit earned by each segment without allocation of certain other income, other expenses, net impairment (losses) reversal on financial assets, other gains and losses, net, central administration costs, research expenses, finance costs, share of results of associates and share of results of joint ventures. This is the measure reported to the chief operating decision makers for the purpose of resources allocation and performance assessment.

(ii) **Segment assets and liabilities**

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

At 31 December 2025

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Consolidated
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets					
Segment assets	<u>1,853,350</u>	<u>491,965</u>	<u>952,060</u>	<u>827,430</u>	<u>4,124,805</u>
Interchangeably used assets between segments					
– Property, plant and equipment					375,285
– Right-of-use assets					28,770
– Inventories					510,528
Investment properties					18,168
Interests in associate					7,395
Interests in joint ventures					484,673
Cash and cash equivalents and time deposits					4,477,800
Other unallocated assets					<u>515,433</u>
Consolidated total assets					<u>10,542,857</u>
Liabilities					
Segment liabilities	<u>266,803</u>	<u>53,912</u>	<u>87,533</u>	<u>49,659</u>	<u>457,907</u>
Unallocated trade, bills and other payables					2,568,417
Lease liabilities					13,314
Other unallocated liabilities					<u>5,878</u>
Consolidated total liabilities					<u>3,045,516</u>

At 31 December 2024

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

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

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

(iii) **Other segment information**

For the year ended 31 December 2025

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Unallocated	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	1,959	37,207	1,287	32,965	48,642	122,060
Additions to right-of-use assets	–	–	–	–	15,593	15,593
Additions to intangible assets	–	–	–	–	1,254	1,254
Amortization of intangible assets	–	8,369	32,081	–	1,742	42,192
Depreciation of property, plant and equipment	3,743	16,788	10,860	17,233	31,304	79,928
Depreciation of right-of-use assets	–	–	–	–	22,661	22,661
Depreciation of investment properties	–	–	–	–	280	280
Impairment on property, plant and equipment	138	700	61	3,737	2,122	6,758
Impairment on right-of-use assets	–	–	–	–	88	88
Impairment on intangible assets	–	272	281	–	12	565
Loss on disposal of property, plant and equipment	–	–	–	–	1,403	1,403
Write-down of inventories	–	–	–	–	1,736	1,736

For the year ended 31 December 2024

	Light-duty trucks and chassis	Pick-up trucks and chassis	Medium and heavy-duty trucks and chassis	Automobile parts, accessories and others	Unallocated	Consolidated
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	171	64,177	117	13,819	18,123	96,407
Additions to intangible assets	–	64,862	–	–	1,064	65,926
Amortization of intangible assets	–	6,277	32,081	–	2,228	40,586
Depreciation of property, plant and equipment	3,342	10,175	10,406	12,708	33,170	69,801
Depreciation of right-of-use assets	–	–	–	–	17,463	17,463
Depreciation of investment properties	–	–	–	–	279	279
Loss on disposal of property, plant and equipment	–	–	–	–	71	71
Write-down of inventories	–	–	–	–	2,486	2,486

(iv) **Geographical information**

Excluding deferred tax assets and time deposits, the Group's non-current assets amounting to RMB2,600,120,000 (2024: RMB2,448,355,000) are located in the People's Republic of China (the "PRC"). Except for export sales to countries outside the PRC amounting to RMB100,031,000 (2024: RMB132,769,000), all other sales of the Group are made to customers located in the PRC.

5. PROFIT (LOSS) BEFORE TAX

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) before tax has been arrived at after charging (crediting):		
Salaries and other payments and benefits	331,736	301,045
Retirement benefit scheme contributions	42,209	39,931
	<hr/>	<hr/>
Total staff costs (including director's and supervisors' remuneration)	373,945	340,976
Staff costs capitalized in inventories	(150,594)	(145,323)
	<hr/>	<hr/>
	223,351	195,653
	<hr/>	<hr/>
Amortization of intangible assets	42,192	40,586
Impairment on intangible assets (included in cost of sales)	565	–
Impairment on property, plant and equipment (included in cost of sales)	6,758	–
	<hr/>	<hr/>
Depreciation of property, plant and equipment	79,928	69,801
Capitalized in inventories	(62,964)	(44,598)
	<hr/>	<hr/>
	16,964	25,203
	<hr/>	<hr/>
Finance costs of lease liabilities	1,043	1,237
Finance costs of acceptance of bills	1,611	952
Depreciation of investment properties	280	279
Depreciation of right-of-use assets	22,661	17,463
Impairment on right-of-use assets (included in cost of sales)	88	–
Auditor's remuneration		
– Audit service	1,387	1,704
	<hr/>	<hr/>
Cost of inventories recognized as an expense (including write-down of inventories amounting to RMB1,736,000 (2024: RMB2,486,000))	3,973,828	3,852,881
Subsequent sales of write-down inventories	(49,502)	(5,315)
	<hr/>	<hr/>
Rental income from renting of investment properties	4,252	4,210
Less: Direct operating expenses from investment properties that generated rental income during the year	(821)	(805)
	<hr/>	<hr/>
	3,431	3,405
	<hr/> <hr/>	<hr/> <hr/>

6. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax	(1,861)	(3,528)
Under provision in prior years	(653)	(11,905)
Deferred tax	(21,363)	2,874
	<u>(23,877)</u>	<u>(12,559)</u>

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

Under the Laws of the PRC on the Enterprise Income Tax (“EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the remaining PRC subsidiaries is 20% (2024: 20% and 25%).

The income tax expense for the year can be reconciled to the profit (loss) before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) before tax	4,699	(35,213)
Tax at the applicable income tax rate of 15% (2024:15%)	(705)	5,282
Tax effect of expenses not deductible for tax purpose	(716)	(8,373)
Additional tax benefit applicable to the Group (<i>Note</i>)	26,606	23,201
Effect of different tax rate of subsidiaries	12	(751)
Tax effect of share of results of associates	33	(656)
Tax effect of share of results of joint ventures	172	782
Write-down of deferred tax	(48,626)	(20,139)
Under provision in prior years	(653)	(11,905)
Income tax expense for the year	<u>(23,877)</u>	<u>(12,559)</u>

Note:

Pursuant to the relevant tax rules and regulation, expenses in research nature are deductible at 100% (2024: 100%) of such expenses incurred additionally. The related tax benefit is amounted to RMB26,606,000 (2024: RMB23,201,000) for the year ended 31 December 2025.

7. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

Loss

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the purpose of basic loss per share (loss for the year attributable to owners of the Company)	<u><u>(26,316)</u></u>	<u><u>(55,097)</u></u>

Number of shares

	2025 <i>'000</i>	2024 <i>'000</i>
Number of shares for the purpose of basic loss per share	<u><u>2,482,268</u></u>	<u><u>2,482,268</u></u>

No diluted loss per share was presented as there were no potential ordinary shares in issue for both 2025 and 2024.

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables, less allowance for credit losses	1,663,263	1,163,549
Bills receivables	922,124	337,650
Other receivables, less allowance for credit losses	44,205	24,999
Prepayments for raw materials	20,826	140,039
Grants receivable, less allowance for credit losses (<i>Note</i>)	<u>408,971</u>	<u>228,852</u>
	<u>3,059,389</u>	<u>1,895,089</u>
Less: Non-current – trade receivables	(674,519)	(512,962)
Non-current – other receivables	<u>(390)</u>	<u>–</u>
	<u><u>2,384,480</u></u>	<u><u>1,382,127</u></u>

Note: As at 31 December 2025 and 31 December 2024, there was reasonable assurance that the Group will comply with the conditions attached and the grants under the hydrogen fuel cell vehicles subsidies. Hence a grant receivable was recognized as at 31 December 2025 and 31 December 2024.

As at 31 December 2025 and 2024, trade receivables from contracts with customers amounted to RMB1,663,263,000 (net of allowance for credit losses of RMB9,574,000) and RMB1,163,549,000 (net of allowance for credit losses of RMB708,000), respectively.

During the current year, the Company entered into several contracts with customers in structured instalment methods, with a fixed term of 5 years. The Company determines the revenue amount according to the contract's fair value or agreement price receivable.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables comprise:		
Within one year	988,744	650,587
Within a period of more than one year but not exceeding five years	674,519	512,962
	<u>1,663,263</u>	<u>1,163,549</u>

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB271,184,000 (net of allowance for credit losses of RMB1,108,000).

The credit period granted on sales of goods is mainly from 3 to 6 months except for the subsidiaries of Qingling Motors (Group) Company Limited (ultimate holding company of the Group), to which a credit period of 1 year were granted.

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	580,001	601,284
Between 3 to 6 months	143,046	202,744
Between 7 to 12 months	297,604	316,342
Over 1 year	642,612	43,179
	<u>1,663,263</u>	<u>1,163,549</u>

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

	2025 RMB'000	2024 RMB'000
Within 1 month	275,235	220,654
Between 1 to 2 months	148,142	32,650
Between 2 to 3 months	106,395	13,356
Between 3 to 6 months	392,352	70,990
	<u>922,124</u>	<u>337,650</u>

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

10. TRADE, BILLS AND OTHER PAYABLES

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

	2025 RMB'000	2024 RMB'000
Trade and bills payables	2,408,559	2,126,249
Selling expenses payables	98,545	124,660
Other tax payables	39,059	28,169
Other payables (<i>Note</i>)	161,063	161,133
	<u>2,707,226</u>	<u>2,440,211</u>

Note:

As at 31 December 2025, other payables amounted to RMB161,063,000 (2024: RMB161,133,000) mainly including accrued continuing royalties payable of RMB18,111,000 (2024: RMB14,907,000), accrual royalties and license fee of RMBNil (2024: RMB16,099,000), payables for purchase of property, plant and equipment of RMB7,485,000 (2024: RMB9,132,000) and payroll payable of RMB41,482,000 (2024: RMB29,287,000).

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	2,063,524	1,853,310
Between 3 to 6 months	340,962	268,300
Between 7 to 12 months	504	940
Over 12 months	3,569	3,699
	<u>2,408,559</u>	<u>2,126,249</u>

11. SHARE CAPITAL

	At 1 January 2024, 31 December 2024 and 31 December 2025
	<i>RMB'000</i>
Registered, issued and fully paid	<u>2,482,268</u>
	Number of shares
	At 1 January 2024, 31 December 2024 and 31 December 2025
	<i>'000</i>
Shares of RMB1 each	
– Domestic shares	1,243,616
– H shares	<u>1,238,652</u>
	<u>2,482,268</u>

Domestic shares are ordinary shares subscribed for and credited as fully paid up in RMB by the PRC government and/or entities established in the PRC. H shares are ordinary shares subscribed for in HKD and credited as fully paid up in RMB by persons other than the PRC government and/or entities established in the PRC.

Domestic shares and H shares rank pari passu in all respects with each other. Domestic shares are not freely traded in The Stock Exchange of Hong Kong Limited.

There were no changes in the registered, issued and fully paid share capital of the Company during both years.

2025 RESULTS

For the year ended 31 December 2025, the Company sold 33,226 vehicles, representing an increase of 0.14% over 33,178 vehicles sold last year. Revenue was approximately RMB4,367 million, representing an increase of 5.89% over approximately RMB4,124 million as recorded last year. For the year ended 31 December 2025, the Company recorded a loss after tax for the year of approximately RMB19 million, while it was a loss after tax of approximately RMB48 million for the last year.

REVIEW OF RESULTS

In 2025, China achieved new results in high-quality development, successfully accomplished the major goals and tasks of economic and social development, and concluded the 14th Five-Year Plan with a great success. The sales volume of automobiles in China's automotive industry exceeded 34 million units for the whole year. Among them, the commercial vehicle market recovered and trended positively, with production and sales achieving a growth of over 10% and returning to the level of more than 4 million units again; new energy vehicles maintained rapid growth, with sales volume exceeding 16 million units and becoming the dominant force in the domestic automotive market; exports exceeded 7 million units, scaling a new height in volume.

Meanwhile, the commercial vehicle industry saw intensified internal competition, with enterprises' operating profit margins shrinking continuously and overall operating efficiency declining generally. According to the data from the China Passenger Car Association, in 2025, China's automotive industry recorded revenue of RMB11.18 trillion and costs of RMB9.85 trillion, with the industry profit margin falling to 4.1%, a historic low, and significantly lower than the average profit margin of 5.31% for industrial enterprises above designated size. The profit performance of the commercial vehicle sector has generally been weaker than that of the passenger vehicle sector, especially as the commercial vehicle industry is still in a period of fierce price competition and electrification transformation. Faced with the brutal and intense market competition and pressing transformation challenges, the Company strengthened innovation, seized market opportunities, enhanced capabilities, reduced costs and steadily advanced all major projects. The Company's operations withstood the challenges and achieved year-on-year growth in operating revenue and sales volume. Among them, sales of new energy vehicles stood at 10,001 units, representing a year-on-year increase of 94%; export sales reached 6,412 units, a year-on-year increase of 26%. The Company achieved sustainable development amid the increasingly fierce market competition and maintained overall stable and sound operations.

In 2025, the Company firstly adhered to innovation-driven development. The Company completed the construction of the largest R&D Center for Intelligent Connected New Energy Commercial Vehicles in western China, set up a Postdoctoral Research Workstation, and successfully applied for the Chongqing Technology Innovation Center for Intelligent Connected New Energy Commercial Vehicles and the Chongqing Industrial Innovation Complex for Intelligent Connected New Energy Commercial Vehicles. The Company achieved key breakthroughs in ultra-fast charging technology, integrated domain control technology, energy management technology, hydrogen power module technology, low wind resistance technology and other aspects. Secondly, the Company optimized product supply. The Company launched 15 new products throughout the year, with the product portfolio further enriched. In collaboration with leading new energy enterprises, the Company targeted the pain points of new energy trucks in range and energy replenishment, made breakthroughs in low wind resistance, high efficiency, full-domain control, full-scenario application and fast energy replenishment, and upgraded its electric products to the third generation. Thirdly, the Company fully leveraged the accumulated advantages in capital, assets, qualifications and brand, built an innovation chain and industrial chain ecosystem, and opened up a new phase of high-level win-win cooperation. The Company carried out cooperation in various fields with enterprises such as Bosch, Huawei and CATL, as well as numerous universities and research institutions around industrial transformation and upgrading to build an industrial ecosystem. The Company continuously expanded cooperation with Isuzu, and the two parties would launch new cooperation in the field of intelligent connected new energy vehicles. Fourthly, the Company advanced the implementation of major projects. The Company's right-hand drive EVM100 achieved mass export to Singapore, which was listed as a landmark achievement of the China-Singapore (Chongqing) Strategic Interconnection Demonstration Project; the Xinjiang Mangrove Project planned to put 1,500 hydrogen heavy-duty trucks into operation, and the Company successfully built the world's first thousand-vehicle level hydrogen corridor for the "Xinjiang coal transportation to other regions" project. Fifthly, the Company continued to advance digital and intelligent manufacturing and digital and intelligent management. The Company completed the construction of an ERP system covering subordinate subsidiaries, initially built an integrated digital and intelligent management platform for R&D, production, supply, sales, quality and finance, was advancing the construction of a 5G smart factory and an "Industrial Brain" for intelligent connected new energy vehicles, and strived to fully build the "Industrial Brain + Future Factory" system.

OUTLOOK AND PROSPECTS

In 2026, the Company will consolidate its internal capabilities, consolidate responsibilities, and focus on expanding sales volume and turning losses into profits. The Company will push forward two key approaches with priority. Firstly, the Company will strive to achieve the annual production and sales target of 60,000 units, lead high-quality development through scale breakthroughs, dilute fixed costs, consolidate market position and consolidate the fundamental business operations. The Company will strengthen the sales support capability of all systems and enhance the supporting capacity of service-oriented marketing. Secondly, the Company will further advance cost reduction and expense control, improve profitability with tangible results, build cost competitiveness and consolidate the foundation for profitability. The Company will prioritize the following initiatives:

1. The Company will fully stimulate the motivation and vitality of the marketing team through systematic reform of the marketing system. The Company will implement a special campaign for upgrading, efficiency improvement, transformation and capacity expansion of the marketing network, and consolidate and enhance the quality of the existing network. The Company will focus on segmented regions, segmented industries and segmented scenarios, develop core-selling vehicle models by category, stabilize the foundation with light-duty trucks, leverage advantages with medium-duty trucks, grasp transformation with heavy-duty trucks, seize market share with pickup trucks and scale up with new energy vehicles.
2. The Company will ensure the scaled and stable output of overseas KD factories. Firstly, the Company will fully leverage the localized production capacity of the completed KD factories, polish cost competitive advantages, provide on-site stationed support for production and technology, and fully release the existing production capacity. Secondly, the Company will anchor the layout target of “10 countries and 9 factories” and continuously accelerate the construction pace of overseas KD factories.
3. The Company will create core-selling products featuring “one series with one hit model (一系列一爆款)”. The products will boast leading performance, meet the requirements of application scenarios in terms of specifications, and have the competitive advantage of a total cost of ownership (TCO) lower than that of competitors within two years, so as to provide solid support for the growth of overall sales volume.
4. The Company will enhance the supporting capacity of quality and brand. The Company will adhere to the whole-process quality control and further consolidate the foundation of high-quality products and strong brand. The Company will prioritize the development of the reliability improvement project for new energy commercial vehicles, further consolidate the reliability of new energy products and support the Company’s strategic transformation to new energy commercial vehicles.
5. The Company will continue to deepen cooperation with Isuzu in traditional fuel vehicles and spare parts, and expand new cooperation in the field of intelligent connected new energy vehicles.

6. Centering on the national series of policies for hydrogen energy development, the Company will leverage its industrial and product advantages, focus on the “Chengdu Chongqing Hydrogen Corridor (成渝氫走廊),” Land Sea New Channel Hydrogen Corridor (陸海新通道氫走廊)” and “Xinjiang Coal Transportation to Other Regions Hydrogen Corridor (疆煤外運氫走廊)” and further carry out large-scale demonstration operations.

FINANCIAL RESOURCES AND LIQUID FUNDS SITUATION

Financial Performance

For the year ended 31 December 2025, the revenue of the Group was RMB4,366,603,000, representing an increase of 5.89% as compared to last year mainly due to the increase of sales volume.

Gross profit for the year was RMB392,775,000, representing an increase of 45.01% as compared to last year. Gross profit margin of the Group for the year was 8.99% as compared with 6.57% last year. Loss after tax of the Group for the year was RMB19,178,000, representing a decrease of 59.86% as compared to last year.

For the year ended 31 December 2025, other income mainly included government grants, interest income and rental income, totaling RMB269,982,000, representing a decrease of 12.32% as compared to last year.

For the year ended 31 December 2025, the Group’s expenses, including distribution and selling expenses, administrative expenses and research expenses, increased by 6.01% as compared to last year, principally attributable to the increase in research expenses for the year as compared to last year.

For the year ended 31 December 2025, the share of results of joint ventures of the Group was RMB7,534,000, representing an increase of 44.69% as compared to last year, mainly due to the profit increase of Isuzu (China) Engine Co., Ltd., which is a joint venture that was established in May 2007.

For the year ended 31 December 2025, basic loss per share was RMB0.01. The Company did not issue any new shares and the basic loss per share is comparable with last year.

Financial Position

As at 31 December 2025, the total assets and total liabilities of the Group were RMB10,542,857,000 and RMB3,045,516,000 respectively.

As at 31 December 2025, the Group's non-current assets amounted to RMB2,748,032,000 which mainly includes property, plant and equipment, right-of-use assets, investment properties, right to returned goods asset, intangible assets, interests in associates and joint ventures, deferred tax assets, time deposits and trade receivables.

As at 31 December 2025, the Group's current assets amounted to RMB7,794,825,000 which mainly includes inventories, trade, bills and other receivables and prepayments, time deposits and cash and cash equivalents.

As at 31 December 2025, the Group's current liabilities amounted to RMB3,036,854,000 which mainly includes trade, bills and other payables, tax liabilities, contract liabilities, refund liabilities and lease liabilities.

As at 31 December 2025, the Group's non-current liabilities amounted to RMB8,662,000 which includes lease liabilities and deferred income – governments grants.

As at 31 December 2025, the Group's net current assets was RMB4,757,971,000 (2024: RMB2,957,878,000), representing an increase of 60.86% as compared to last year, mainly due to the liquidity classification of time deposits.

Liquidity and Capital Structure

As at 31 December 2025, the time deposits, bank deposits and cash and cash equivalents retained by the Group due within one year were RMB4,371,221,000 and increased by 47.86% as compared with the balances on 31 December 2024. The Group's working capital requirement was financed by its own cash flow. Gearing ratio represented the percentage of total liabilities over total equity as per consolidated statement of financial position. The gearing ratio of the Group as at 31 December 2025 was 40.62% (as at 31 December 2024: 35.42%). Issued share capital as at 31 December 2025 maintained at the level of RMB2,482,268,000 as no share was issued during this year.

For the year ended 31 December 2025, there was no material change in the financing strategies of the Group and the Group did not incur any bank borrowings nor any non-current liabilities. The Company would closely monitor the financial and liquidity position of the Group and financial market from time to time in order to formulate financing strategies appropriate to the Group.

The total equity attributable to owners of the Company as at 31 December 2025 was RMB7,316,390,000. The net assets value per share (representing total equity attributable to owners of the Company divided by number of shares of the Company as at 31 December 2025) as at 31 December 2025 was RMB2.95.

Significant Investment

As at 31 December 2025, the Group's interests in joint ventures were RMB484,673,000 and interests in associates were RMB7,395,000.

During the year ended 31 December 2025, there were no significant acquisition and disposal of the Group.

Segment Information

The revenue contributed by light-duty trucks and chassis and medium and heavy-duty trucks and chassis were RMB2,144,202,000 and RMB1,290,739,000 respectively, representing 78.66% of the total revenue. Light-duty trucks and medium and heavy-duty trucks are currently the major products accounting for the highest contribution to the Group.

Pledge of Assets

As at 31 December 2025, no asset of the Group was pledged for financial facilities (for the year ended 31 December 2024: Nil).

Effects of Foreign Exchange Rate Changes

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

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at the New Conference Hall of the Company, 1st Floor, 1 Xiexing Cun, Zhongliangshan, Jiulongpo District, Chongqing, the People's Republic of China on Tuesday, 30 June 2026 at 10:00 a.m. (the "AGM").

CLOSURE OF REGISTER OF SHAREHOLDERS

To ascertain the H shareholders' entitlement to attend and vote at the AGM, the register of shareholders of the Company will be closed from Thursday, 25 June 2026 to Tuesday, 30 June 2026 (both dates inclusive), during which period no transfer of shares will be registered. All duly completed transfer forms relating to H shares accompanied by the relevant share certificates must be lodged with the Company's H Share Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 24 June 2026.

DESIGNATED DEPOSITS

As at 31 December 2025, the Group did not hold any designated deposit or any time deposits that were overdue but could not be collected upon maturity.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group has 2,996 employees (2024: 2,863 employees). For the year ended 31 December 2025, labor cost was RMB373,945,000 (2024: RMB340,976,000). The Group determines the emoluments payable to its employees based on their performance, experience and prevailing industry practices while the Group's remuneration policy and packages are reviewed on a regular basis so as to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. Depending on the assessment about their work performances, employees may be granted bonuses and rewards which in turn provide the motives and incentives for better individual performance.

DISPOSAL OF STAFF QUARTERS

For the year ended 31 December 2025, the Group has not sold any of its staff quarters to its employees.

STRUCTURE OF SHAREHOLDING

- (1) As at 31 December 2025, the entire share capital of the Company comprised 2,482,268,268 shares, including:

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

- (2) Substantial shareholders

As at 31 December 2025, shareholders other than directors and chief executives of the Company having an interest and short positions in 5% or more of the relevant class of the issued share capital of the Company as recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (the “SFO”) were as follows:

Long positions in the shares of the Company:

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

Note: As of 19 August 2025, the industrial and commercial registration formalities for the gratuitous transfer of equity (“Equity Transfer”) of 80% of the equity interest in Qingling Group held by the Chongqing State-owned Assets Supervision and Administration Commission (“Chongqing SASAC”) to Chongqing Yufu Holding Group Co., Ltd. (“Yufu Holding”) have been completed. Following the completion of the Equity Transfer, Qingling Group continues to hold 100% of the domestic shares in the Company (equivalent to 50.10% of its total issued shares). The Chongqing SASAC directly holds 20% of the equity in Qingling Group and indirectly holds 80% of the equity in Qingling Group through Yufu Holding.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 31 December 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 December 2025, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined under the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”). For the year ended 31 December 2025, none of directors and chief executives of the Company, or their spouse or children under 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

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

There were no purchase, sale, redemption or cancellation of the Company's listed securities (including sale of treasury shares) by the Company and its subsidiaries during the year ended 31 December 2025. As at 31 December 2025, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

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

During the year ended 31 December 2025, the Company has complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors of the Company, the Company confirmed all directors of the Company have complied with the required standard set out in the Model Code during the year ended 31 December 2025.

REVIEW OF AUDITED ANNUAL RESULTS

The audit committee of the Company has reviewed, with the management and auditor of the Company, the accounting principles and practices adopted by the Group, and discussed auditing, risk management and internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2025 and the 2025 annual results.

DIRECTORS

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

By order of the Board
QINGLING MOTORS CO. LTD
LUO Yuguang
Chairman and Executive Director

Chongqing, PRC, 31 March 2026