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## **HUAZHONG IN-VEHICLE HOLDINGS COMPANY LIMITED**

### **華眾車載控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6830)**

#### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

##### **FINANCIAL HIGHLIGHTS**

- Revenue was approximately RMB2.56 billion, representing an increase of approximately 38.8% when compared to that of the year ended 31 December 2024.
- Profit attributable to owners of the parent amounted to approximately RMB36.0 million, representing a decrease of approximately 14.2% when compared to that of the year ended 31 December 2024.
- Gross profit margin was approximately 21.7%, representing a decrease of about 5.6% when compared to that of the year ended 31 December 2024.
- Basic earnings per share attributable to owners of the parent was approximately RMB2.03 cents (2024: approximately RMB2.37 cents).
- The Board recommends the payment of a final dividend of RMB0.2495 cent (equivalent to HK0.2826 cent at exchange rate of HK\$1 equals to RMB0.8830) per ordinary share for the year ended 31 December 2025 (2024: RMB0.2826 cent per share (equivalent to HK0.3062 cent per share)). During the Year, no interim dividend was declared.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Huazhong In-Vehicle Holdings Company Limited (the “**Company**”) is pleased to announce the consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”), together with the comparative figures for the year ended 31 December 2024.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>REVENUE</b>	5	<b>2,563,964</b>	1,846,699
Cost of sales		<b>(2,008,186)</b>	(1,341,658)
<b>Gross profit</b>		<b>555,778</b>	505,041
Other income and other gains, net	5	<b>44,194</b>	47,759
Selling and distribution expenses		<b>(147,014)</b>	(129,273)
Administrative expenses		<b>(383,369)</b>	(334,153)
Impairment losses on financial assets, net		<b>(7,765)</b>	(30,078)
Other expenses		<b>(4,136)</b>	(5,424)
Finance income	6	<b>1,884</b>	1,465
Finance costs		<b>(21,317)</b>	(22,191)
Share of profits of:			
joint ventures		<b>20,327</b>	25,043
associates		<b>(257)</b>	(611)
<b>PROFIT BEFORE TAX</b>	7	<b>58,325</b>	57,578
Income tax expense	8	<b>(21,523)</b>	(10,332)
<b>PROFIT FOR THE YEAR</b>		<b>36,802</b>	47,246
Attributable to:			
Owners of the parent		<b>35,977</b>	41,909
Non-controlling interests		<b>825</b>	5,337
		<b>36,802</b>	47,246
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted	10	<b>RMB0.0203</b>	RMB0.0237

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>36,802</u></b>	<b><u>47,246</u></b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<b>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:</b>		
Exchange differences on translation of foreign operations	(191)	269
<b>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</b>		
Equity investments designated at fair value through other comprehensive loss:		
Change in fair value	(15,635)	(47,542)
Income tax effect	<u>3,909</u>	<u>11,886</u>
Net other comprehensive loss that will not be reclassified profit or loss in subsequent periods	<u>(11,726)</u>	<u>(35,656)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX</b>	<b><u>(11,917)</u></b>	<b><u>(35,387)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>24,885</u></b>	<b><u>11,859</u></b>
Attributable to:		
Owners of the parent	24,060	6,522
Non-controlling interests	<u>825</u>	<u>5,337</u>
	<b><u>24,885</u></b>	<b><u>11,859</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	<b>2025</b> <b>RMB'000</b>	2024 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,105,403</b>	1,023,813
Investment properties		<b>22,714</b>	25,600
Right-of-use assets		<b>246,975</b>	242,849
Intangible assets		<b>11,806</b>	4,940
Investments in joint ventures		<b>146,058</b>	148,385
Investments in associates		<b>7,132</b>	2,389
Advance payments for property, plant and equipment		<b>151,662</b>	125,105
Equity investments designated at fair value through other comprehensive income		<b>109,421</b>	125,056
Pledged deposits		<b>30,000</b>	30,000
Deferred tax assets		<b>32,067</b>	31,239
Other non-current assets		<b>375</b>	1,275
		<hr/>	<hr/>
Total non-current assets		<b>1,863,613</b>	1,760,651
<b>CURRENT ASSETS</b>			
Inventories		<b>807,278</b>	611,674
Trade and notes receivable	<i>11</i>	<b>1,368,780</b>	908,324
Financial assets at fair value through profit or loss		<b>19,947</b>	20,000
Prepayments, other receivables and other assets		<b>295,670</b>	273,999
Pledged deposits		<b>115,066</b>	48,717
Cash and cash equivalents		<b>62,496</b>	161,143
		<hr/>	<hr/>
Total current assets		<b>2,669,237</b>	2,023,857
<b>CURRENT LIABILITIES</b>			
Trade and notes payables	<i>12</i>	<b>1,938,533</b>	1,229,534
Other payables and accruals		<b>339,789</b>	296,194
Interest-bearing bank and other borrowings		<b>423,967</b>	256,041
Income tax payable		<b>35,797</b>	33,794
		<hr/>	<hr/>
Total current liabilities		<b>2,738,086</b>	1,815,563
		<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

31 December 2025

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<u>(68,849)</u>	<u>208,294</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>1,794,764</u>	<u>1,968,945</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank and other borrowings	209,145	358,171
Government grants	15,714	16,405
Deferred tax liabilities	<u>24,765</u>	<u>29,139</u>
Total non-current liabilities	<u>249,624</u>	<u>403,715</u>
<b>Net assets</b>	<u><u>1,545,140</u></u>	<u><u>1,565,230</u></u>
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>		
Issued capital	142,956	142,956
Reserves	<u>1,265,576</u>	<u>1,245,929</u>
	<u>1,408,532</u>	<u>1,388,885</u>
<b>Non-controlling interests</b>	<u>136,608</u>	<u>176,345</u>
<b>Total equity</b>	<u><u>1,545,140</u></u>	<u><u>1,565,230</u></u>

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 3 December 2010. The registered address of the Company is Cricket Square, Hutchins Drive, P.O. 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 year, 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.

In the opinion of the directors of the Company, the holding company of the Company is Huayou Holdings Company Limited (“**Huayou Holdings**”), which was incorporated in the British Virgin Islands (“**BVI**”).

## 2. BASIS OF PREPARATION

Notwithstanding that the Group recorded net current liabilities of RMB68,849,000, the financial statements has been prepared on a going concern basis. The directors of the Company are of the opinion that the Group has sufficient available bank facilities which can be utilised in the next twelve months, to meet its financial liabilities and obligations as and when they fall due and to sustain its operations.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) (which include all International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations) as issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments which have been measured at fair value. The financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year’s financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

#### 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 resource allocation and the Group's performance assessment. Accordingly, no segment analysis is presented.

##### Geographical information

###### (a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	2,490,403	1,776,674
Overseas	<u>73,561</u>	<u>70,025</u>
Total revenue	<u><u>2,563,964</u></u>	<u><u>1,846,699</u></u>

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

###### (b) Non-current assets

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	1,695,167	1,578,914
Overseas	<u>26,958</u>	<u>25,442</u>
Total non-current assets	<u><u>1,722,125</u></u>	<u><u>1,604,356</u></u>

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

### Information about a major customer

Revenue from major customers which amounted to 10% or more of the Group's revenue is set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	478,818	517,190
Customer B	<u>258,697</u>	<u>N/A*</u>

\* The corresponding revenue of these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

## 5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<b><i>Revenue from contracts with customers</i></b>		
Sales of plastic parts and automotive parts	2,362,917	1,701,527
Sales of moulds and tooling	<u>201,047</u>	<u>145,172</u>
Total	<u><u>2,563,964</u></u>	<u><u>1,846,699</u></u>

### Revenue from contracts with customers

#### (a) *Disaggregated revenue information*

All the revenue from contracts with customers is derived from the one single segment as defined in note 4. And the category of revenue from contracts with customers based on geographical region is the same with the geographical information in note 4(a).

The recognition timing of all the revenue from contracts with customers is the goods transferred at a point in time when control of the asset is transferred to the customer, generally on the use of the industrial products.

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	<b><u>46,931</u></b>	<u>46,672</u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of products and materials*

The performance obligation is satisfied upon use of the products and materials and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 are RMB66,019,000 (2024: RMB46,931,000), which were expected to be recognised within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains, net is as follows:

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Other income</b>		
Government grants*	<b>10,434</b>	16,344
Value-added tax preferences	<b>9,886</b>	11,374
Net rental income from operating leases, net-fixed payments	<b>10,566</b>	5,014
Management fee	<b>4,409</b>	4,664
Provision of model modification service	<b>1,994</b>	3,820
Compensation income	<b>812</b>	2,038
Dividend income from equity investments designated at fair value through other comprehensive income	<b>1,811</b>	1,811
Others	<b>652</b>	426
	<hr/>	<hr/>
Total other income	<b>40,564</b>	45,491
<b>Other gain, net</b>		
Gain on sales of scrap materials	<b>2,043</b>	1,671
Gain on disposal of items of property, plant and equipment	<b>670</b>	290
Gain on termination of leases	<b>380</b>	–
Others	<b>537</b>	307
	<hr/>	<hr/>
Total gains	<b>3,630</b>	2,268
	<hr/>	<hr/>
Total other income and gains	<b>44,194</b>	47,759
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\* The government grants mainly represent incentives awarded by the local governments to support the Group's operation. There were no unfulfilled conditions or contingencies attached to these grants.

## 6. FINANCE INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income on bank deposits	1,673	1,114
Interest income on loans and receivables	211	351
	<hr/>	<hr/>
Total	<b>1,884</b>	<b>1,465</b>

## 7. PROFIT BEFORE TAX

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold	2,008,186	1,341,658
Depreciation of property, plant and equipment	142,777	125,432
Depreciation of investment properties	2,886	2,892
Amortisation of right-of-use assets	22,278	19,299
Amortisation of intangible assets*	2,250	1,739
Research and development costs	122,002	108,581
Lease payments not included in the measurement of lease liabilities	4,715	8,325
Auditors' remuneration	2,600	2,600
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	311,085	296,125
Pension scheme costs**	18,119	16,534
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Total	<b>329,204</b>	<b>312,659</b>
Impairment losses on financial assets, net		
Impairment of trade receivables, net	7,655	27,120
Impairment of other receivables, net	110	2,958
	<hr/>	<hr/>
Total	<b>7,765</b>	<b>30,078</b>
Foreign exchange differences, net	1,641	2,869
Gross rental income	(18,768)	(13,571)
Direct expenses for generating rental income	8,202	8,557
	<hr/>	<hr/>
Rental income, net	<b>(10,566)</b>	<b>(5,014)</b>
Gain on disposal of items of property, plant, and equipment	(670)	(290)
Gain on termination of lease	(380)	–
Dividend income from equity investments designated at fair value through other comprehensive income	(1,811)	(1,811)
Government grants	(10,434)	(16,344)
Interest income on bank deposits	(1,673)	(1,114)
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\* The amortisation of other intangible assets is included in “Cost of sales” and “Administrative expenses”, in the consolidated statements of profit or loss.

\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

No Hong Kong profits tax has been provided as there was no assessable profit earned in or derived from Hong Kong during the year ended 31 December 2025 (2024: Nil).

The provision for current income tax in Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law.

Pursuant to the relevant tax rules in the PRC, Chengdu Huazhong Automobile Parts Co., Ltd., Chongqing Huazhong Automobile Decorative Parts Co., Ltd. and Xi'an Huadun Automotive Parts Co., Ltd. are qualified as companies under the development strategy of China western region and were subject to tax at a preferential income tax rate of 15% for the year (2024: 15%).

In 2025, Ningbo Huazhong Automotive Decorative Parts Technology Co., Limited, Nanchang Huayue Plastic Products Company Co., Ltd. and Changchun Huateng Automobile Parts Co., Ltd. were accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2025, 2026 and 2027.

In 2024, Foshan Huazhong Automotive Parts Co., Ltd. and Qingdao Huazhong Automotive Parts Co., Ltd. were accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2024, 2025 and 2026.

In 2023, Ningbo Huazhong Moulding Manufacturing Co., Ltd. and Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd. were accredited as a “High and New Technology Enterprise”. It is entitled to a preferential rate of 15% for the three years ended 31 December 2023, 2024 and 2025.

Certain of the subsidiaries, which operate in Chinese mainland, are identified as Small and Micro Enterprises and were entitled to a preferential tax rate of 5% during the year ended 31 December 2025.

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

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Current income tax		
Charge for the year	<b>21,509</b>	12,337
Underprovision/(overprovision) in prior years	<b>1,307</b>	(95)
Deferred	<b>(1,293)</b>	(1,910)
Total tax charge for the year	<b><u>21,523</u></b>	<b><u>10,332</u></b>

## 9. DIVIDENDS

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Proposed final – 2025: HK 0.2826 cents (2024: HK 0.3062 cents) per ordinary share	<u><b>4,415</b></u>	<u>5,000</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements have not reflected this proposed dividend.

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

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,769,193,800 (2024: 1,769,193,800) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the interest on the share option scheme, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the year.

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

	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculations	<u><b>35,977</b></u>	<u>41,909</u>
	<b>Numbers of ordinary shares</b>	
	<b>2025</b>	2024
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	<u><b>1,769,193,800</b></u>	<u>1,769,193,800</u>

## 11. TRADE AND NOTES RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	1,245,787	790,686
Notes receivable	<u>217,593</u>	<u>204,583</u>
	1,463,380	995,269
Impairment of trade receivables	<u>(94,600)</u>	<u>(86,945)</u>
Net carrying amount	<u><u>1,368,780</u></u>	<u><u>908,324</u></u>
Notes receivables:		
Notes receivables at fair value through other comprehensive income	158,669	81,852
Notes receivables at amortised cost	<u><u>58,924</u></u>	<u><u>122,731</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The Group's notes receivable are all aged within six months, for which there was no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

As at 31 December 2025, notes receivable of approximately RMB30,971,000 (2024: RMB62,586,000) were pledged to secure notes payable granted to some major suppliers.

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

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 3 months	<b>991,862</b>	659,946
3 to 6 months	<b>120,715</b>	29,688
6 months to 1 year	<b>36,097</b>	12,023
Over 1 year	<b>2,513</b>	2,084
	<u><b>1,151,187</b></u>	<u>703,741</u>
Total	<b>1,151,187</b>	703,741

The movements in the loss allowance for impairment of trade receivables are as follows:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
At beginning of year	<b>86,945</b>	59,825
Impairment losses, net	<b>7,655</b>	27,120
	<u><b>94,600</b></u>	<u>86,945</u>
At end of year	<b>94,600</b>	86,945

The increase in the loss allowance of RMB7,655,000 (2024: RMB27,120,000) as a result of a net increase in the gross carrying amount of trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than two years and are not subject to enforcement activity.

## 12. TRADE AND NOTES PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	1,265,438	762,396
Notes payable	<u>673,095</u>	<u>467,138</u>
Total	<u><u>1,938,533</u></u>	<u><u>1,229,534</u></u>

An ageing analysis of the trade and notes payables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 3 months	1,259,340	838,722
3 to 12 months	672,096	378,355
1 to 2 years	1,232	5,227
2 to 3 years	1,143	3,518
Over 3 years	<u>4,722</u>	<u>3,712</u>
Total	<u><u>1,938,533</u></u>	<u><u>1,229,534</u></u>

The trade payables are non-interest-bearing and normally settled on terms of 30 to 90 days. The maturity of the notes payable is within six months.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MARKET REVIEW**

During 2025, the automobile industry production and sales level had increased slightly. According to the statistics from China Association of Automobile Manufacturers, over 34.53 million vehicles were manufactured and over 34.40 million vehicles were sold in 2025, representing an increase of approximately 10.4% and approximately 9.4%, respectively, from the previous year. In terms of sales and manufacturing volumes, China has again ranked number one in the world for another year.

As a tier-one supplier with scalable production capacity and strong research and development (the “R&D”) capability, the Group has established long-term business relationships with the leading players in the market. The solid partnership with industry leaders has provided a strong foothold for the Group to capture the growth of the automobile industry.

### **BUSINESS REVIEW**

The Group offers one-stop solutions to its customers, from the design and manufacture of moulds and tooling for mass production of specific products to the development and manufacture of new products which meet its customers’ functional requirements and specifications.

The Group offers a wide range of automobile body parts, including internal and external structural and decorative parts (such as front/rear bumper, front-end carrier, dashboard, ABCD-pillars, air inlet grille and rocker panel), air conditioning unit casings and liquid tanks through our subsidiaries and jointly controlled entities.

The Group also produces moulds and tooling for our manufacturing arm, with the ability to produce moulds and tooling for complex or large-size automobile body parts such as bumper and front-end carrier. Apart from automobile-related products, the Group also manufactures other products such as top cowl cover for engine of motorboat and office chair parts.

During the Year, the Group faced with continuously increasing production costs. As such, the Group rigorously enforced the implementation of cost controls, improved staff quality and strengthened administrative efficiency internally. Externally, the Group strived to fortify the long-term cooperation with customers, develop new market opportunities, maintain sound business operation capability, consolidate the Group’s resources and improve market competitiveness. These actions successfully helped the Group in achieving the annual targets, and laid the foundation for its sustainable operation in the future.

For the Year, the Group's revenue was approximately RMB2,563.96 million, representing an increase of approximately 38.8% as compared to approximately RMB1,846.70 million in 2024. Profit attributable to the owners of the parent for the Year was approximately RMB35.98 million, representing a decrease of approximately 14.2% as compared to approximately RMB41.91 million in 2024.

## **OPERATIONS ANALYSIS**

The Board believes that the Group's achievements are attributable to the following aspects:

- The Group provides one-stop product development and manufacturing solutions to customers. This vertically integrated service has enabled the Group to improve production efficiency, shorten the roll-out time for new products, stringently control production cost and quality throughout the whole production process and strengthen its business relationships with customers.
- The Group has strong R&D capacity to develop new products with customers simultaneously. This enables the Group to establish close relationships with its major customers and deepen its understanding of the customers' needs.
- The Group established production bases that are located close to the production bases of most of the key automakers in China. The geographic proximity advantage enables the Group to provide services to its customers in a timely manner, strengthen its relationships with these customers and reduce transportation costs, and thereby further enhancing its competitiveness.
- The Group maintains long-term business relationships with both domestic and multinational automakers, while rigorously engaging new customers.
- The Group is equipped with strong production capabilities and refined manufacturing technology. The Group has adopted the most advanced technologies and production equipment in this industry.
- The Group has an experienced management team with deep knowledge and understanding of the automobile body parts industry.
- The Group monitors its product quality in a stringent manner. It implements sophisticated quality monitoring procedures to select and examine raw materials, semi-finished and finished products to ensure a high standard of quality.

## 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-automobile products; and
- (v) sale of raw materials.

	2025		2024	
	Revenue	Gross profit	Revenue	Gross profit
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Automotive interior and exterior structural and decorative parts	<b>2,123,148</b>	<b>22.3</b>	1,476,310	29.1
Moulds and tooling	<b>201,047</b>	<b>14.3</b>	145,172	20.1
Casings and liquid tanks of air conditioners and heaters	<b>133,048</b>	<b>19.3</b>	135,272	16.9
Non-automobile products	<b>52,842</b>	<b>42.0</b>	43,277	34.8
Sale of raw materials	<b>53,879</b>	<b>9.0</b>	46,668	17.2
<b>Total</b>	<b><u>2,563,964</u></b>	<b><u>21.7</u></b>	<b><u>1,846,699</u></b>	<b><u>27.3</u></b>

For the Year, the total revenue generated from automotive interior and exterior structural and decorative parts was approximately RMB2,123,148,000 (2024: approximately RMB1,476,310,000), accounting for approximately 82.8% of the Group's total revenue for the Year (2024: approximately 79.9%). Gross profit margin decrease from approximately 29.1% in 2024 to approximately 22.3% in 2025.

For the Year, revenue from moulds and tooling was approximately RMB201,047,000 (2024: approximately RMB145,172,000), accounting for approximately 7.8% of the Group's total revenue for the Year (2024: approximately 7.9%). Gross profit margin decrease from 20.1% in 2024 to 14.3% in the Year.

For the Year, revenue from casings and liquid tanks of air conditioners and heaters was approximately RMB133,048,000 (2024: approximately RMB135,272,000), accounting for approximately 5.2% of the Group's total revenue for the Year (2024: approximately 7.3%). Gross profit margin increase from 16.9% in 2024 to 19.3% in the Year.

For the Year, revenue from non-automobile products was approximately RMB52,842,000 (2024: approximately RMB43,277,000), accounting for approximately 2.1% of the Group's total revenue for the Year (2024: approximately 2.3%). Gross profit margin increase from approximately 34.8% in 2024 to approximately 42.0% in the Year.

For the Year, revenue from sale of raw materials was approximately RMB53,879,000 (2024: approximately RMB46,668,000), accounting for approximately 2.1% of the Group's total revenue for the Year (2024: approximately 2.5%). Gross profit margin decrease to approximately 9.0% (2024: approximately 17.2%) during the Year.

### **Other Income and Gains**

Other income and gains of the Group for the Year amounted to approximately RMB44,194,000 (2024: approximately RMB47,759,000), representing a decrease of approximately 7.5% from last year. The decrease in other income was mainly attributable to a decrease in government grants and value-add tax preferences.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses for the Year amounted to approximately RMB147,014,000 (2024: approximately RMB129,273,000). The proportion of selling and distribution expenses in sales revenue for the Year was approximately 5.7% (2024: approximately 7.0%).

### **Administrative Expenses**

The Group's administrative expenses for the Year amounted to approximately RMB383,369,000, representing an increase of approximately 14.7% as compared to approximately RMB334,153,000 in 2024.

## **Share of Profits of Joint Ventures and Associates**

During the Year, the Group recorded approximately RMB20,327,000 of the share of profits of joint ventures as well as RMB257,000 of the share of loss of associates, as compared to the share of profits of a joint venture approximately RMB25,043,000 for 2024.

## **Finance Income**

The Group's finance income increased by approximately 28.6% from approximately RMB1,465,000 in 2024 to approximately RMB1,884,000 in the Year.

## **Finance Costs**

The Group's finance costs decreased from approximately RMB22,191,000 in 2024 to approximately RMB21,317,000 in the Year, representing a decrease of approximately 3.9%, which was attributable to a decrease of borrowing interest rate during the Year.

## **Taxes**

The Group's tax expenses increased by approximately 108.3% from approximately RMB10,332,000 in 2024 to approximately RMB21,523,000 in the Year.

## **Liquidity and Financial Resources**

For the Year, the net cash generated from operating activities was approximately RMB199,348,000 (2024: approximately RMB355,544,000). The cash generated from operating activities was mainly from the profits during the Year.

The net cash used in investing activities was approximately RMB240,639,000 (2024: net cash used approximately RMB272,486,000). The net cash used in financing activities was approximately RMB57,306,000 (2024: net cash used approximately RMB33,835,000). The net cash used in investing activities was mainly used for procurement of fixed assets. The net cash used in financing activities was mainly used for repayment of bank loans.

As a result of the above-mentioned comprehensive factors, the net cash outflow of the Group was approximately RMB98,597,000 (2024: net cash inflow of approximately RMB49,223,000).

As at 31 December 2025, the cash and cash equivalents of the Group (including cash and bank deposits) was approximately RMB62,496,000 (31 December 2024: approximately RMB161,143,000).

As at 31 December 2025, the interest-bearing bank borrowings of the Group were approximately RMB593,729,000 (31 December 2024: approximately RMB583,221,000). All the interest-bearing bank borrowings were borrowed in RMB, and approximately RMB406,529,000 were due within one year. Most of the bank borrowings were borrowed at fixed interest rate.

The Board expects that the bank loans would either be settled by fund from internal resources or rolled over as it was due. All principal banks will continue to provide fund to the Group for its business operation.

### **Capital Commitments**

As at 31 December 2025, the Group had capital commitments amounting to approximately RMB72,874,000 (31 December 2024: approximately RMB118,475,000) mainly including commitment for purchasing property, plant, and equipment.

### **Foreign Exchange Exposure**

The sales and purchases of the Group were mainly denominated in RMB. The cash and cash equivalents of the Group were 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 minimal, 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 the foreign exchange exposure if it becomes significant to the Group.

### **Capital Structure**

The total number of issued and fully paid ordinary shares of the Company as at 31 December 2025 was 1,769,193,800.

### **Contingent Liabilities**

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

## Pledge of Assets

As at 31 December 2025, the Group's assets of approximately RMB96,744,000 (2024: approximately RMB103,418,000) were pledged to secure some of the Group's interest-bearing bank borrowings. The book value of the pledged assets is set out below:

	<b>2025</b>	2024
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Property, plant and equipment	<b>32,724</b>	34,624
Leasehold land	<b>34,020</b>	38,794
Pledged deposits	<b>30,000</b>	30,000
	<hr/>	<hr/>
Total	<b>96,744</b>	103,418
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2025, pledged deposits with a carrying value of RMB30,000,000 (2024: RMB30,000,000) were pledged to secure the bank loans granted to the Group.

## Gearing Ratio

As at 31 December 2025, the Group's gearing ratio was approximately 66.9%, representing an increase of about 8.1% as compared with the gearing ratio of approximately 58.8% as at 31 December 2024. The gearing ratio is derived by dividing net liabilities (including interest-bearing bank and other 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 respective years.

## **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

### **Connected Transaction in Relation to acquisition of 15% Equity Interest in Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.**

On 20 February 2025, its indirectly held, wholly-owned subsidiary, Ningbo Huazhong Automotive Decorative Parts Technology Co., Limited\* (寧波華眾汽車飾件科技有限公司) (the “Purchaser”), entered into a share purchase agreement with Roekona Textilwerk GmbH & Co. KG (the “Vendor”), to acquire a 15% equity interest in its existing non-wholly-owned subsidiary, Ningbo Roekona-Zoeppritex-Tex-Line Co., Ltd.\* (寧波華樂特汽車裝飾布有限公司) (the “Target Company”), for a total consideration of EUR 4,500,000 (approximately RMB34,290,000).

The Vendor, which held a 25% interest in the Target Company prior to the transaction, was a substantial shareholder of a subsidiary of the listed company and thus constituted a connected person at the subsidiary level under Rule 14A.07(1) of the Listing Rules.

The acquisition was undertaken to consolidate the Group’s control by increasing its aggregate stake in the Target Company from 65% to 80%, thereby enhancing operational and decision-making efficiency, which aligns with the Group’s strategic objective of strengthening its management of automotive parts manufacturing operations.

The consideration, determined through arm’s length negotiations with reference to an independent asset-based valuation, is payable in three equal instalments of EUR 1,500,000 by bank transfer within three, six, and nine months following the completion of the equity transfer and its formal registration with the relevant authorities in the PRC.

Please refer to the announcement of the Company dated 20 February 2025 for further details.

Save as disclosed herein, during the Year, the Group did not have any significant investments or acquisition or disposal of subsidiaries, associates and joint ventures.

## **Employees and Remuneration Policies**

The Group had a total of 3,519 (2024: 3,407) employees as at 31 December 2025. Total staff costs of the Group (excluding the Directors' and chief executive's remuneration) for the Year was approximately RMB329,204,000 (2024: approximately RMB312,659,000). The increase in staff cost was mainly attributable to the increase in average salary of employees. 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 Year**

There were no significant events after the Year and up to the date of this announcement.

## **PROSPECT**

From January to December in 2025, the manufacturing and sales volumes of automobiles in China reached 34.53 million and 34.40 million, respectively, with a year-on-year increase of 10.4% and 9.4%, among of which, the manufacturing and sales volumes of new energy automobiles reached 16.63 million and 16.49 million, respectively, with a year-on-year increase of 29.0% and 28.2%, accounted for 50.8% of the market share. China Association of Automobile Manufacturers expects that the total sales volume of new energy vehicles in China will reach 19.00 million in 2026, representing a growth of about 15.2% 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 complied with all applicable code provisions set out in the CG Code throughout the Year, except for the following deviation:

### **Code Provision C.2.1**

Code provision C.2.1 of the CG Code stipulates that the role 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 of 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 in the Group and the Board comprises 2 executive Directors, 3 non-executive Directors and 3 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.

A full description of the Company’s corporate governance will be set out in the 2025 annual report of the Company.

## **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 Year, they were in compliance with the required provisions set out in the Model Code. All of the Directors declared that they complied with the required standards of dealings as set out in the Model Code throughout the Year.

## **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 Year.

## **DIVIDENDS**

The Board recommends the payment of a final dividend of RMB0.2495 cent (equivalent to HK0.2826 cent at exchange rate of HK\$1 equals to RMB0.8830) per ordinary share for the Year (2024: RMB0.2826 cent per share (equivalent to HK0.3062 cent per share at an exchange rate of HK\$1 equals to RMB0.9229)). The payment of dividends shall be subject to the approval of the Shareholders of the Company at the forthcoming annual general meeting of the Company (the “**AGM**”) which will be held on 3 June 2026. The proposed final dividend is expected to be paid on or before 11 July 2026. During the Year, no interim dividend was declared.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders' right to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Wednesday, 28 May 2026 to Tuesday, 3 June 2026 (both days inclusive), during which period no transfer of shares in the Company will be registered. The holders of shares whose names appear on the register of members of the Company on Tuesday, 3 June 2026 will be entitled to attend and vote at the AGM. In order to qualify for attending and voting at the AGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited (the "**Branch Share Registrar**"), at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration no later than 4:00 p.m. on Tuesday, 27 May 2026.

In addition, for the purpose of ascertaining the Shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 11 June 2026 to Friday, 13 June 2026 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 10 June 2026.

## AUDIT COMMITTEE

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

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

## **SCOPE OF WORK OF ERNST & YOUNG**

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income and consolidated statement of financial position, and the related notes thereto for the Year have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this preliminary results announcement.

## **APPRECIATION**

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

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<http://www.cn-huazhong.com>). The annual report of the Company for the Year containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board

**Huazhong In-Vehicle Holdings Company Limited**

**Zhou Minfeng**

*Chairman and Chief Executive*

Hong Kong, 31 March 2026

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