Nexteer Automotive Group Limited
耐世特汽車系統集團有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1316)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

The Board of Directors (the **Board**) of Nexteer Automotive Group Limited (the **Company**) announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively **we**, **us**, **our**, or the **Group**) for the six months ended June 30, 2026, together with the comparative figures for the previous period as follows:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the six months ended June 30, 2026

	Notes	For the six months ended June 30, 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Revenue	*2*	**2,328,838**	2,242,248
Cost of sales	*3*	**(2,050,535)**	(1,983,341)
Gross profit		**278,303**	258,907
Engineering and product development costs	*3*	**(72,102)**	(75,393)
Selling and distribution expenses	*3*	**(12,635)**	(10,704)
Administrative expenses	*3*	**(87,390)**	(81,474)
Other gains, net	*4*	**9,768**	1,792
Operating profit		**115,944**	93,128
Investment income, net	*5*	**605**	4,182
Finance costs	*5*	**(2,378)**	(3,390)
		(1,773)	792
Share of results of a joint venture		**996**	1,761
Profit before income tax		**115,167**	95,681
Income tax expense	*6*	**(24,845)**	(26,667)
Profit for the period		**90,322**	69,014
Profit for the period attributable to:			
Equity holders of the Company		**85,806**	63,480
Non-controlling interests		**4,516**	5,534
		90,322	69,014
Earnings per share for profit for the period attributable to equity holders of the Company for the period (expressed in US$ per share)			
– Basic and diluted	*7*	**0.034**	0.025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended June 30, 2026

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**90,322**	69,014
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss		
Exchange differences	**2,918**	47,187
Total comprehensive income for the period	**93,240**	116,201
Total comprehensive income for the period attributable to:		
Equity holders of the Company	**87,276**	109,734
Non-controlling interests	**5,964**	6,467
	93,240	116,201

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

As at June 30, 2026

	Notes	**As at June 30, 2026** *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**1,019,497**	1,008,856
Right-of-use assets		**38,934**	46,261
Intangible assets		**666,298**	656,899
Deferred income tax assets		**58,295**	55,566
Investment in a joint venture		**24,266**	27,571
Income taxes receivable		**3,592**	5,002
Other receivables and prepayments		**23,891**	19,516
		1,834,773	1,819,671
Current assets			
Inventories		**322,635**	279,929
Trade receivables	*9*	**920,372**	924,089
Notes receivable	*10*	**99,811**	86,975
Income taxes receivable		**5,134**	5,474
Other receivables and prepayments		**133,939**	133,598
Investment in financial asset		**15,674**	20,026
Restricted bank deposits		**103**	15
Cash and cash equivalents		**596,506**	500,721
		2,094,174	1,950,827
Total assets		**3,928,947**	3,770,498

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET *(continued)*
As at June 30, 2026

	Note	**As at June 30, 2026 *US$'000* (Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital		**32,377**	32,377
Other reserves		**(2,698)**	(4,168)
Retained earnings		**2,123,268**	2,083,392
		2,152,947	2,111,601
Non-controlling interests		**53,491**	47,527
Total equity		**2,206,438**	2,159,128
LIABILITIES			
Non-current liabilities			
Lease liabilities		**21,095**	19,874
Borrowings		**51,213**	49,729
Retirement benefits and compensations		**23,026**	23,100
Deferred income tax liabilities		**4,592**	3,685
Provisions		**91,644**	80,557
Deferred revenue		**169,609**	154,883
Other payables and accruals		**21,808**	32,281
		382,987	364,109
Current liabilities			
Trade payables	*11*	**1,010,928**	945,605
Other payables and accruals		**237,311**	201,376
Current income tax liabilities		**22,133**	24,603
Retirement benefits and compensations		**2,485**	2,652
Provisions		**30,036**	28,147
Deferred revenue		**27,973**	27,454
Borrowings		**147**	79
Lease liabilities		**8,509**	17,345
		1,339,522	1,247,261
Total liabilities		**1,722,509**	1,611,370
Total equity and liabilities		**3,928,947**	3,770,498

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended June 30, 2026

1. GENERAL INFORMATION

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

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

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

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

The functional currency of the Company is US dollar (**US$**). This condensed consolidated interim financial information (**Condensed Financial Information**) is presented in thousands of US dollars (**US$'000**), unless otherwise stated. This Condensed Financial Information was approved by the Board of Directors of the Company (the **Board**) for issue on August 12, 2026.

This Condensed Financial Information has not been audited.

Basis of Preparation

This Condensed Financial Information has been prepared in accordance with International Accounting Standard (**IAS**) 34 "Interim Financial Reporting" and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **Listing Rules**). This Condensed Financial Information should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as well as the applicable disclosure requirements under the Listing Rules and the Hong Kong Companies Ordinance.

Accounting Policies

In addition to those described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2025, as described in those annual financial statements.

(a) Amendments to standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group and mandatory for the accounting period beginning on January 1, 2026.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11

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

2. REVENUE AND SEGMENT INFORMATION

2.1 Revenue from contracts with customers

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

Performance Obligations

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

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

Contract balances

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

	Contract assets(i)	**Contract liabilities, Current**(ii)	**Contract liabilities, Non-Current**(ii)
	US$'000	***US$'000***	***US$'000***
Balances as at June 30, 2026 (Unaudited)	35,909	27,973	169,609
Balances as at December 31, 2025 (Audited)	40,605	27,454	154,883

(i) Contract assets are recorded within current other receivables and prepayments. As at January 1, 2025, contract assets amounted to US$46,219,000 in total.

(ii) Contract liabilities are recorded within deferred revenue. As at January 1, 2025, contract liabilities amounted to US$133,391,000 in total.

2.2 Segment information

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

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

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

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

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

	North America *US$'000*	Asia Pacific *US$'000*	EMEASA *US$'000*	Others *US$'000*	Total *US$'000*
For the six months ended June 30, 2026 (Unaudited)					
Total revenue	**1,171,025**	**729,637**	**458,510**	**4,353**	**2,363,525**
Inter-segment revenue	**(2,322)**	**(21,361)**	**(11,211)**	**207**	**(34,687)**
Revenue from external customers	**1,168,703**	**708,276**	**447,299**	**4,560**	**2,328,838**
Adjusted EBITDA	**85,711**	**120,007**	**54,759**	**2,342**	**262,819**
For the six months ended June 30, 2025 (Unaudited)					
Total revenue	1,154,475	703,966	403,122	3,154	2,264,717
Inter-segment revenue	(16,171)	(17,433)	(2,271)	13,406	(22,469)
Revenue from external customers	1,138,304	686,533	400,851	16,560	2,242,248
Adjusted EBITDA	86,016	115,704	35,114	(6,481)	230,353

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

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

	North America *US$'000*	Asia Pacific *US$'000*	EMEASA *US$'000*	Others *US$'000*	Total *US$'000*
As at June 30, 2026 (Unaudited)					
Total assets	**1,583,656**	**1,761,055**	**804,904**	**(220,668)**	**3,928,947**
Total liabilities	**675,776**	**814,325**	**296,040**	**(63,632)**	**1,722,509**
As at December 31, 2025 (Audited)					
Total assets	1,515,379	1,674,631	781,190	(200,702)	3,770,498
Total liabilities	607,611	798,756	291,302	(86,299)	1,611,370

Adjusted EBITDA includes a non-cash component for revenue recognised from deferred revenue. For the six months ended June 30, 2026, the North America segment, Asia Pacific segment and EMEASA segment recognised US$11,298,000 (six months ended June 30, 2025: US$8,613,000), US$6,046,000 (six months ended June 30, 2025: US$5,834,000) and US$2,788,000 (six months ended June 30, 2025: US$1,911,000), respectively. Reconciliations of reportable segment Adjusted EBITDA to the Group's profit before income tax are as follows:

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Adjusted EBITDA from reportable segments	**262,819**	230,353
Depreciation and amortisation	**(145,624)**	(138,289)
Impairments on intangible assets	**(1,251)**	(1,579)
Customer recovery income related to impairments	**–**	2,643
Investment income, net	**605**	4,182
Finance costs	**(2,378)**	(3,390)
Share of results of a joint venture	**996**	1,761
Profit before income tax	**115,167**	95,681

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

The geographic distribution of revenue for the six months ended June 30, 2026 and 2025 is as follows:

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
North America:		
US	**611,558**	610,843
Mexico	**557,145**	527,461
Asia Pacific:		
China	**627,390**	606,258
Rest of Asia Pacific	**80,886**	80,275
EMEASA:		
Poland	**267,895**	227,852
Rest of EMEASA	**179,404**	172,999
Other	**4,560**	16,560
	2,328,838	2,242,248

The geographic distribution of non-current assets, excluding deferred income tax assets and financial instruments, as at June 30, 2026 and December 31, 2025 is as follows:

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
North America:		
US	**345,329**	370,003
Mexico	**426,274**	421,220
Asia Pacific:		
China	**528,297**	488,892
Rest of Asia Pacific	**38,612**	41,228
EMEASA:		
Poland	**312,514**	335,863
Rest of EMEASA	**118,475**	96,839
Others	**6,977**	10,060
	1,776,478	1,764,105

Disaggregation of revenue

	North America *US$'000*	**Asia Pacific** *US$'000*	**EMEASA** *US$'000*	**Others** *US$'000*	**Total** *US$'000*
For the six months ended June 30, 2026 (Unaudited)					
Electric Power Steering (**EPS**)	**735,096**	**505,625**	**379,688**	**4,453**	**1,624,862**
Steering Columns and Intermediate Shafts (**CIS**)	**173,405**	**17,382**	**30,078**	**25**	**220,890**
Hydraulic Power Steering (**HPS**)	**83,988**	**(87)**	**121**	**–**	**84,022**
Driveline Systems (**DL**)	**176,214**	**185,356**	**37,412**	**82**	**399,064**
	1,168,703	**708,276**	**447,299**	**4,560**	**2,328,838**

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

Revenue by type

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Production parts	**2,318,648**	2,220,652
Tooling	**1,952**	1,804
Engineering design and development/prototypes	**8,238**	19,792
	2,328,838	2,242,248

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

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
GM	**770,791**	771,142
Customer A	**486,427**	414,764
Customer B	**339,538**	349,576
	1,596,756	1,535,482

3. EXPENSE BY NATURE

	For the six months ended June 30,	
	2026	2025
	US\$'000	*US\$'000*
	(Unaudited)	(Unaudited)
Raw materials, including work-in-progress and finished goods	**1,478,750**	1,479,635
Employee labour and benefit costs	**322,756**	302,559
Temporary labour costs	**66,788**	60,036
Supplies and tools	**100,060**	84,922
Depreciation on property, plant and equipment	**72,051**	70,492
Depreciation on right-of-use assets	**10,213**	6,986
Amortisation on intangible assets	**63,360**	60,811
Impairment charges on		
– trade receivables	**1,477**	166
– intangible assets(i)	**1,251**	1,579
Customer recovery income related to impairments	**–**	(2,643)
Write-down on inventories	**595**	1,134
Warranty expenses	**23,685**	26,739
Auditors' remuneration		
– audit and non-audit services	**334**	231
Others	**81,342**	58,265
Total cost of sales, engineering and product development costs, selling and distribution, and administrative expenses	**2,222,662**	2,150,912

Note:

(i) For the six months ended June 30, 2026, impairments of US\$1,251,000 (six months ended June 30, 2025: US\$1,579,000) were recorded within engineering and product development costs in the Consolidated Financial Information.

4. OTHER GAINS, NET

	For the six months ended June 30,	
	2026	2025
	US\$'000	*US\$'000*
	(Unaudited)	(Unaudited)
Foreign exchange gains (losses), net	**1,327**	(7,038)
Gains on disposal of property, plant and equipment	**59**	262
Others	**8,382**	8,568
	9,768	1,792

5. INVESTMENT INCOME, NET/FINANCE COSTS

	For the six months ended June 30,	
	2026	2025
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Investment income, net		
Unrealised fair value loss on investment in financial asset	**(4,146)**	–
Dividend income on investment in financial asset	**634**	–
Interest on bank deposits	**4,117**	4,182
	605	4,182
Finance costs		
Interest on bank borrowings	**1,905**	1,648
Interest on leases	**997**	1,389
Other finance costs	**1,109**	2,402
	4,011	5,439
Less: amount capitalised in qualifying assets	**(1,633)**	(2,049)
	2,378	3,390
	(1,773)	792

6. INCOME TAX EXPENSE

For the six months ended June 30, 2026, the Group recorded income tax expense in the Condensed Financial Information of US$24,845,000 (six months ended June 30, 2025: US$26,667,000).

For interim income tax reporting, the Group estimates its annual effective tax rate and applies it to its ordinary income for the six months ended June 30, 2026 and 2025. The tax effects of certain unusual or infrequently occurring items, including changes in judgement about whether it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered and effects of changes in tax laws or rates are recognised in the interim period in which they occur.

Pillar Two legislation establishes a global minimum effective tax rate of 15% for large multinational enterprise (**MNE**) groups on a jurisdiction-by-jurisdiction basis. The legislation generally imposes a Qualified Domestic Minimum Top-up Tax (**QDMTT**), an Income Inclusion Rule (**IIR**) tax, or an Undertaxed Profits Rule (**UTPR**) tax, as applicable, where the jurisdictional effective tax rate is below 15%.

Pillar Two legislation is effective in a number of jurisdictions in which the Group operates. The legislation became effective for certain Group entities for financial years beginning on January 1, 2024, and took effect on January 1, 2025 for the Group's remaining applicable jurisdictions.

The Group has assessed its exposure to Pillar Two income taxes based on the applicable legislation and the financial information of its constituent entities. Based on this assessment, the Group qualifies for the Transitional Safe Harbour in most jurisdictions in which it operates. In jurisdictions where the Transitional Safe Harbour does not apply, the Group does not incur a material liability for QDMTT, IIR or UTPR taxes.

In accordance with the amendments to IAS 12, Income Taxes – International Tax Reform – Pillar Two Model Rules, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules.

On July 4, 2025, the One Big Beautiful Bill Act (**OBBBA**) was enacted in the United States, introducing significant changes to tax legislation with various effective dates. Key items impacting our provisions in 2025 and 2026 were (i) the restoration of current year expensing of incurred domestic research and development (R&D) expenditures; and (ii) the election to accelerate the deduction of previously capitalised domestic R&D expenditures. However, the impact of these changes is not material because they represent timing differences which result in unrecognisable deferred tax assets.

7. EARNINGS PER SHARE

a. Basic

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

	For the six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(US$'000)*	**85,806**	63,480
Weighted average number of ordinary shares in issue *(thousands)*	**2,509,824**	2,509,824
Basic earnings per share *(in US$)*	**0.034**	0.025

b. Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares comprise shares issued under the Share Option Scheme (the **Share Option Scheme**) as at June 30, 2026 and 2025. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the six months ended June 30, 2026 and 2025) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares within the denominator for calculating diluted earnings per share. For the six months ended June 30, 2026 and 2025, the details are within the table below. The computation of diluted earnings per share for the six months ended June 30, 2026 and 2025 does not assume the exercise of the share options because the adjusted exercise prices of those share options were higher than the average market prices per share.

	For the six months ended June 30,	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company, used to determine diluted earnings per share *(US$'000)*	**85,806**	63,480
Weighted average number of ordinary shares in issue for calculating diluted earnings per share *(thousands)*	**2,509,824**	2,509,824
Diluted earnings per share *(in US$)*	**0.034**	0.025

8. DIVIDEND

On June 17, 2026, the Board declared a dividend of approximately US$45,930,000 relating to the Group's year ended December 31, 2025 earnings payable on July 9, 2026. The Company declared a dividend of US$21,835,000 during the six months ended June 30, 2025 relating to the Group's year ended December 31, 2024 earnings. The Board does not recommend the payment of any interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: US$nil).

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

On June 13, 2025, the two shareholders of Nexteer Lingyun Driveline (Wuhu) Co., Ltd. declared a dividend of approximately RMB188,000,000 payable on July 18, 2025. Dividends payable to non-controlling interests related to this declaration amount to RMB75,200,000 (equivalent to US$5,568,000).

9 TRADE RECEIVABLES

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
Trade receivables, gross	**923,377**	925,617
Less: provision for impairment	**(3,005)**	(1,528)
	920,372	924,089

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

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
0 to 30 days	**494,322**	490,572
31 to 60 days	**299,146**	292,149
61 to 90 days	**51,315**	90,716
Over 90 days	**78,594**	52,180
	923,377	925,617

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

Trade receivables of US$1,350,000 (December 31, 2025: US$nil) and US$1,655,000 (December 31, 2025: US$1,528,000) were credit impaired and non-credit impaired, respectively, as at June 30, 2026 on which provisions were made.

The carrying amounts of trade receivables pledged as collateral were US$514,270,000 as at June 30, 2026 (December 31, 2025: US$494,993,000).

10. NOTES RECEIVABLE

Certain customers in China pay for goods and services through the use of notes receivable. As at June 30, 2026, notes receivable outstanding was in the amount of US$99,811,000 (December 31, 2025: US$86,975,000). The notes receivable are measured at FVOCI.

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

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
0 to 30 days	**53,762**	57,150
31 to 60 days	**15,459**	5,130
61 to 90 days	**7,691**	7,861
Over 90 days	**22,899**	16,834
	99,811	86,975

11. TRADE PAYABLES

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
Trade payables	**946,001**	902,374
Notes payable	**64,927**	43,231
	1,010,928	945,605

Certain vendors in China are paid for goods and services through the use of notes payable, which are included in trade payables. As at June 30, 2026, notes payable outstanding was in the amount of US$64,927,000 (December 31, 2025: US$43,231,000).

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

	As at June 30, 2026 *US$'000* **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
0 to 30 days	**494,683**	464,585
31 to 60 days	**285,482**	258,794
61 to 90 days	**157,579**	140,701
91 to 120 days	**44,770**	36,371
Over 120 days	**28,414**	45,154
	1,010,928	945,605

FINANCIAL REVIEW

Financial Summary

The Group achieved revenue of US$2.3 billion in the first six months of 2026 representing a US$86.6 million or 3.9% increase compared to the same period in 2025. Excluding the favourable impact of foreign currency translation and higher commodity recoveries, revenue increased 0.8%, outperforming underlying market growth by 180 basis points. North America and EMEASA both exceeded their respective markets, growing 240 basis points and 570 basis points above market, respectively.

Adjusted EBITDA for the first six months of 2026 was US$262.8 million, an increase of US$32.5 million or 14.1% compared to the same period in 2025. The improved profitability was driven by favourable foreign exchange, customer tariff recovery and other operating performance.

The Group's cash balance of US$596.5 million at June 30, 2026 represented an increase of US$95.8 million when compared with US$500.7 million as at December 31, 2025. For the six months ended June 30, 2026, the Group's net cash generated from operating activities was US$262.2 million, an increase of US$119.8 million compared with US$142.3 million for the same period of 2025. Cash from operating activities less cash used in investing activities was a source of US$108.8 million which compared favourably to a source of US$36.7 million in the same period of 2025. The improvement in cash flow, which was primarily driven by higher earnings, favourable working capital and customer recoveries, was partially offset by increased capital expenditures for property, plant and equipment to support the expansion of APAC's regional operating footprint. Cash used in financing activities during the six months ended June 30, 2026 was US$12.2 million, an increase of US$0.4 million, when compared with a use of cash of US$11.7 million during the six months ended June 30, 2025.

Operating Environment

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

According to S&P Global Mobility (July 2026), global OEM light vehicle production for the six months ended June 30, 2026 was weaker than the six months ended June 30, 2025, decreasing by 1.0% which was driven by a 4.5% decrease in China. The following table highlights the percentage changes in OEM light vehicle production for the six months ended June 30, 2026 compared with the same period in 2025 for key markets served by the Group:

	First Half 2026
North America	(0.5)%
China	(4.5)%
India	14.2%
Europe	(1.5)%
South America	3.8%

The Group conducts its business from a global operating footprint to serve its broad customer base and, accordingly, the financial results of the business are impacted by changes in foreign currencies measured against the US dollar, principally the European euro (**Euro**), Chinese Renminbi (**RMB**), and Mexican Peso (**MXN**). The Group's revenue was favourably impacted due to US dollar fluctuations against the RMB and Euro during the first half of 2026.

During the first six months of 2026, the Group successfully launched 28 new customer programmes. Of the 28 programme launches, 26 represented new or conquest business for the Group and 2 represented incumbent business. 17 programme launches represented customer 100% EV programmes.

Revenue

The Group's revenue for the six months ended June 30, 2026 was US$2,328.8 million, an increase of US$86.6 million or 3.9%, compared with US$2,242.2 million for the six months ended June 30, 2025. Despite lower global OEM light vehicle production, significant new and conquest programme launches over the past several years contributed to a net increase of volume during the first half of 2026 compared with the same period in 2025. This favourable volume performance was further enhanced by favourable foreign currency translation, which positively impacted the Group's revenue by approximately US$58.7 million, as a result of the weakening of the US dollar against the RMB and EUR during the first half of 2026 compared with the same period a year ago. Customer price increases resulting from the partial pass-through of raw material commodity cost increases during the first half of 2026 in comparison to the first half of 2025, further increased revenue by US$9.9 million. Adjusting for the favourable foreign currency translation and increased commodity recoveries, the Group's revenue increased by 0.8% during first half of 2026 compared with the same period a year ago, outperforming the decline in OEM production over the comparative period by 180 basis points. This performance reflects the continued benefits from new and conquest customer programmes launches in recent years.

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

Revenue by Geographical Segments

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

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	US$'000 **(Unaudited)**	*%*	*US$'000* (Unaudited)	*%*
North America	**1,168,703**	**50.2**	1,138,304	50.8
Asia Pacific	**708,276**	**30.4**	686,533	30.6
EMEASA	**447,299**	**19.2**	400,851	17.9
Other	**4,560**	**0.2**	16,560	0.7
Total	**2,328,838**	**100.0**	2,242,248	100.0

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

- North America segment – Revenue increased by US$30.4 million, or 2.7%, for the six months ended June 30, 2026 compared with the same period in 2025. The most significant factor contributing to the revenue increase was the Nexteer customer programs' outperformance in the market. Despite a decrease in North America OEM light vehicle production for the first half of 2026 by 0.5% compared with the same period in 2025, the North America segment experienced a revenue growth of 2.7%. The segment also benefited from customer price increases related to raw material commodity inflation, amounting to US$8.6 million in the first half of 2026 compared to the same period in 2025. Customer tariff recovery was US$8.0 million higher in the first half of 2026 compared to 2025.

- Asia Pacific segment – Revenue increased by US$21.7 million, or 3.2%, for the six months ended June 30, 2026 compared with the same period in 2025. Favourable foreign currency translation contributed US$27.3 million to the year-over-year increase in revenue, as the US dollar weakened against the RMB during the first half of 2026 compared with the same period in 2025. Excluding the impact of foreign currency translation, revenue decreased by 0.8% compared with the same period a year ago. Customer pricing reductions and softer regional OEM production partially offset favourable volume growth associated with new and conquest programme launches. Total Asia Pacific OEM production volumes decreased by 0.5%, including a 4.5% decline in China, during the first half of 2026 compared with the same period in 2025.

- EMEASA segment – Revenue increased by US$46.4 million, or 11.6%, for the six months ended June 30, 2026 compared with the same period in 2025, despite mixed market conditions with European OEM light vehicle production declining 1.5% and South America OEM light vehicle production increasing 3.8% during the first half of 2026 compared with the same period in 2025. The increase in revenue was driven primarily by higher volumes of European OEM customers. In addition, favourable foreign currency translation positively impacted regional revenue by US$31.4 million, as the US dollar weakened against the Euro during the first half of 2026 compared with the same period in 2025. Adjusting for favourable foreign currency translation and commodity pricing recoveries of US$1.3 million, the segment's revenue increased by 3.4% during the first half of 2026 compared with the same period a year ago, outperforming the regional decline in OEM production for the comparative period by 570 basis points.

- Other – Revenue decreased by US$12.0 million, for the six months ended June 30, 2026 compared with the same period in 2025. Other revenue is related to non-production engineering design and development/prototype services.

Revenue by Products

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

	For the six months ended June 30, 2026		For the six months ended June 30, 2025	
	US$'000	*%*	*US$'000*	*%*
	(Unaudited)		(Unaudited)	
EPS	**1,624,862**	**69.8**	1,525,379	68.0
CIS	**220,890**	**9.5**	228,499	10.2
HPS	**84,022**	**3.6**	91,624	4.1
DL	**399,064**	**17.1**	396,746	17.7
Total	**2,328,838**	**100.0**	2,242,248	100.0

The Group experienced an increase in EPS revenue of US$99.5 million, or 6.5%, for the six months ended June 30, 2026 compared with the same period in 2025, driven mainly by the customer demand increase in EMEASA and Asia Pacific. CIS revenue decreased by US$7.6 million, or 3.3%, for the six months ended June 30, 2026 compared with the same period a year ago, with the most significant decrease experienced in the Asia Pacific segment. HPS revenue decreased by US$7.6 million, or 8.3%, for the six months ended June 30, 2026 compared with the same period of 2025. DL revenue increased by US$2.3 million, or 0.6%, for the six months ended June 30, 2026 compared with the same period last year.

Net Profit Attributable to Equity Holders

The Group's net profit attributable to equity holders of the Company for the six months ended June 30, 2026 was US$85.8 million or 3.7% of total revenue, an increase of US$22.3 million, compared to a profit for the six months ended June 30, 2025 of US$63.5 million, or 2.8% of total revenue. The increase was principally attributable to the EBITDA improvement of US$32.5 million, partially offset by a US$7.3 million increase in depreciation and amortisation, primarily driven by new programs launched in Asia Pacific.

Cost of Sales

The Group's cost of sales for the six months ended June 30, 2026 was US$2,050.5 million, an increase of US$67.2 million, or 3.4%, from US$1,983.3 million for the six months ended June 30, 2025.

Raw material costs, including changes in work-in-progress and finished goods represent a significant portion of the Group's total cost of sales and for the six months ended June 30, 2026 totalled US$1,478.8 million, or 63.5% of revenue, compared with US$1,479.6 million, or 66.0% of revenue, for the same period last year, reflecting a decrease of US$0.8 million, or 0.1%. The decrease in raw material costs for the period when compared with the same period a year ago was primarily driven by strong material performance, which more than offset the impact of higher revenue.

Depreciation and amortisation, including amortisation of capitalised product development costs, charged to cost of sales for the six months ended June 30, 2026 was US$135.0 million, an increase of US$6.8 million, or 5.3% from US$128.2 million for the six months ended June 30, 2025.

Amortisation of capitalised product development costs recorded as cost of sales amounted to US$63.4 million for the six months ended June 30, 2026, or 2.7% of revenue, an increase of US$2.5 million, or 4.2%, as compared with US$60.8 million, or 2.7% of revenue for the six months ended June 30, 2025.

As a percent of revenue, cost of sales decreased to 88.0% for the first half of 2026 compared with 88.5% for the same period a year ago.

Gross Profit

The Group's gross profit for the six months ended June 30, 2026 was US$278.3 million, an increase of US$19.4 million, or 7.5%, when compared with US$258.9 million for the six months ended June 30, 2025. Gross profit margin for the six months ended June 30, 2026 was 12.0% compared with 11.5% for the six months ended June 30, 2025. The increase in gross profit was primarily attributable to the increase in revenue and improved operating performance.

Engineering and Product Development Costs

For the six months ended June 30, 2026, the Group's engineering and product development costs charged to the income statement were US$72.1 million, representing 3.1% of revenue, a decrease of US$3.3 million, or 4.4%, as compared to US$75.4 million, or 3.4% of revenue for the six months ended June 30, 2025. During the six months ended June 30, 2026, the Group recorded product development intangible asset impairments of US$1.3 million related to programme cancellations on specific customer programmes, with US$1.2 million recorded in the Asia Pacific segment.

During the six months ended June 30, 2025, the Group recorded product development intangible asset impairments of US$1.6 million related to programme cancellations on specific customer programmes, with US$0.8 million recorded in the North America segment, US$0.3 million recorded in the Asia Pacific segment and US$0.5 million recorded in the Others segment.

Capitalised interest related to engineering development costs totalled US$1.6 million for the six months ended June 30, 2026 and US$2.0 million for the six months ended June 30, 2025. Depreciation and amortisation charged to engineering and product development costs for the six months ended June 30, 2026 was US$6.9 million, an increase of US$0.6 million, or 9.5%, from US$6.3 million for the six months ended June 30, 2025.

The Group's aggregate investment in engineering and product development costs is defined as the sum of costs charged to the condensed consolidated interim income statement (excluding impairment charges associated with costs capitalised in previous periods) and total costs capitalised as intangible assets during the current period which will be amortised in future periods upon launch and start of production of related customer programmes currently in development. For the six months ended June 30, 2026, the Group incurred an aggregate investment in engineering and product development costs of US$140.3 million, an increase of US$11.0 million, or 8.5%, compared with US$129.3 million for the six months ended June 30, 2025.

Selling, Distribution and General and Administrative Expenses

The Group's selling, distribution and general and administrative expenses for the six months ended June 30, 2026 were US$100.0 million, representing 4.3% of revenue, an increase of US$7.8 million, or 8.5%, as compared to US$92.2 million, or 4.1% of revenue for the six months ended June 30, 2025. This increase was primarily driven by higher information technology investments and increased employee compensation and benefit costs. Depreciation and amortisation charged to administrative expenses for the six months ended June 30, 2026 was US$3.7 million, a decrease of US$0.1 million, or 2.6% from US$3.8 million for the six months ended June 30, 2025.

Other Gains, net

Other gains, net represents gains/losses attributable to foreign exchange transactions, loss/gain on disposal of property, plant and equipment and others. Other gains, net for the six months ended June 30, 2026 was a gain of US$9.8 million, an increase of US$8.0 million compared to a gain of US$1.8 million for the six months ended June 30, 2025. This increase was primarily driven by favourable foreign exchange movements, resulting in a shift from a loss of US$7.0 million in 2025 to a gain of US$1.3 million in 2026.

Investment income, net/Finance Costs

Finance costs, net, consist of interest income and expense reduced by interest capitalised on qualifying assets and product development, and unrealised loss related to the changes in fair value of investment in financial asset. The Group's net finance costs for the six months ended June 30, 2026 were US$1.8 million, compared to net finance income of US$0.8 million for the six months ended June 30, 2025. The increase in finance costs was primarily due to changes in fair value of an investment in a financial asset in the six months ended June 30, 2026, when compared to same period of 2025.

Share of Results of a Joint Venture

Share of results of a joint venture relates to the Group's investments in Chongqing Nexteer Steering Systems Co., Ltd. (**Chongqing Nexteer**). For the six months ended June 30, 2026, the Group's share of results in the joint venture amounted to US$1.0 million compared with US$1.8 million for the same period a year ago.

Income Tax Expense

The Group's income tax expense was US$24.8 million for the six months ended June 30, 2026, representing 21.6% of the Group's profit before income tax, a decrease of US$1.9 million from US$26.7 million, or 27.9% of profit before income tax, for the six months ended June 30, 2025.

Pillar Two legislation establishes a global minimum effective tax rate of 15% for large multinational enterprise (MNE) groups on a jurisdiction-by-jurisdiction basis. The legislation generally imposes a Qualified Domestic Minimum Top-up Tax (**QDMTT**), an Income Inclusion Rule (**IIR**) tax, or an Undertaxed Profits Rule (**UTPR**) tax, as applicable, where the jurisdictional effective tax rate is below 15%.

Pillar Two legislation is effective in a number of jurisdictions in which the Group operates. The legislation became effective for certain Group entities for financial years beginning on January 1, 2024, and took effect on January 1, 2025 for the Group's remaining applicable jurisdictions.

The Group has assessed its exposure to Pillar Two income taxes based on the applicable legislation and the financial information of its constituent entities. Based on this assessment, the Group qualifies for the Transitional Safe Harbour in most jurisdictions in which it operates. In jurisdictions where the Transitional Safe Harbour does not apply, the Group does not incur a material liability for QDMTT, IIR or UTPR taxes.

In accordance with the amendments to IAS 12, Income Taxes – International Tax Reform – Pillar Two Model Rules, the Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules.

On July 4, 2025, the One Big Beautiful Bill Act (**OBBBA**) was enacted in the United States, introducing significant changes to tax legislation with various effective dates. Key items impacting our provisions in 2025 and 2026 were (i) the restoration of current year expensing of incurred domestic research and development (**R&D**) expenditures; and (ii) the election to accelerate the deduction of previously capitalised domestic R&D expenditures. However, the impact of these changes is not material because they represent timing differences which result in unrecognisable deferred tax assets.

Provisions

As at June 30, 2026, the Group has provisions for litigation, environmental liabilities, warranties and decommissioning of US$121.7 million, an increase of US$13.0 million as compared to US$108.7 million as at December 31, 2025. The increase in provisions was principally due to the net change in warranty reserves, reflecting net additions of US$23.7 million and cash payments of US$13.4 million on historical warranty provisions during 2026.

Liquidity and Capital Resources

Cash Flows

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

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

	For the six months ended June 30, 2026 *US$'000* **(Unaudited)**	For the six months ended June 30, 2025 *US$'000* (Unaudited)
Cash generated from (used in):		
Operating activities	**262,159**	142,316
Investing activities	**(153,357)**	(105,650)
Financing activities	**(12,170)**	(11,730)
Net increase in cash and cash equivalents	**96,632**	24,936

Cash Flows Generated from Operating Activities

For the six months ended June 30, 2026, the Group's net cash generated from operating activities was US$262.2 million, an increase of US$119.8 million compared with US$142.3 million for the six months ended June 30, 2025. The improvement in operating cash flow was primarily driven by higher earnings, favourable working capital and customer recoveries.

Cash Flows Used in Investing Activities

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

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

	For the six months ended June 30, 2026 *US$'000* **(Unaudited)**	For the six months ended June 30, 2025 *US$'000* (Unaudited)
Purchase of property, plant and equipment	**(88,113)**	(54,994)
Addition of intangible assets	**(69,433)**	(55,491)
Dividends received from a joint venture	**4,301**	–
Others	**(112)**	4,835
Net cash used in investing activities	**(153,357)**	(105,650)

Cash Flows Used in Financing Activities

For the six months ended June 30, 2026, the Group's net cash used in financing activities was US$12.2 million, an increase of US$0.4 million when compared with a use of cash of US$11.7 million during the six months ended June 30, 2025.

Indebtedness

As at June 30, 2026, the Group's total borrowings was US$51.4 million, an increase of US$1.6 million from US$49.8 million as at December 31, 2025. The increase was primarily due to foreign currency impact on term loan borrowings in China which are denominated in RMB.

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

	As at June 30, 2026 ***US$'000*** **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
Current borrowings	**147**	79
Non-current borrowings	**51,213**	49,729
Total borrowings	**51,360**	49,808

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

	As at June 30, 2026 ***US$'000*** **(Unaudited)**	As at December 31, 2025 *US$'000* (Audited)
Within 1 year	**147**	79
Between 1 and 2 years	**51,213**	49,729
Total borrowings	**51,360**	49,808

Pledge of Assets

The Group has several secured borrowings at certain subsidiaries. Assets securing the borrowings differ by site and include accounts receivable, inventories and property, plant and equipment. As at June 30, 2026, the Group had approximately US$1,080.5 million total assets pledged as collateral, an increase of US$8.7 million as compared with US$1,071.8 million as at December 31, 2025. The increase in collateral pledged was directly related to increases in the balances of the underlying assets pledged. No significant changes in collateral arrangements have occurred from December 31, 2025 to June 30, 2026.

Exposure to Currency Rate Fluctuations and Related Hedges

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

Gearing Ratio

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

The gearing ratio as at June 30, 2026 was 2.3%, with no change compared to 2.3% as at December 31, 2025.

OTHER INFORMATION

Future Prospects

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

1. Relentless innovation

2. Depth and breadth of our product portfolio

3. Systems integration experience

4. In-house ownership of R&D and integrated product and process development

5. Global manufacturing footprint and prowess

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

As at June 30, 2026, there were no future plans for material investments or capital assets in the remainder of the year.

Employees Remuneration Policy

As at June 30, 2026, the Group had approximately 13,000 full-time employees. The Group's remuneration policies are formulated based on the performance of individual employees and the Group's performance and are reviewed regularly. Our full-time employees participate in various employee benefit plans including retirement benefits, extended disability benefits and workers' compensation. In addition, we have adopted employee incentive plans designed to attract, retain, motivate and encourage employees to commit to enhancing value for us and the shareholders of the Company (the **Shareholders**) as a whole. For example, the Group has employee retention programmes that include individual development plans, merit wage adjustments, annual incentive plans and promotions. We offer training programmes to our full-time employees and contract personnel which are designed to develop the skills that we need to meet our enterprise goals and customer requirements and to meet certain training requirements such as mandated customer or regulatory requirements and contractual obligations.

The Group also uses contract personnel to support the workload of the business where considered the most efficient. As at June 30, 2026, the Group had approximately 1,800 personnel engaged on a contract basis.

CORPORATE GOVERNANCE PRACTICES

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

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

Except as expressly described below, in the opinion of the directors (the **Directors**) of the board of the Company (the **Board**), the Company has complied with all applicable code provisions set out in the Hong Kong CG Code and all applicable laws and regulations that have a significant impact on the business and operation of the Group throughout the six months ended June 30, 2026.

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

Chairman and Chief Executive Officer

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

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

COMPLIANCE WITH CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **Model Code**) as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they complied with the required standards set out in the Model Code for the six months ended June 30, 2026.

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended June 30, 2026.

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

The Audit and Compliance Committee of the Board (the Audit and Compliance Committee) had reviewed together with management and the external auditor the unaudited Condensed Financial Information of the Company for the six months ended June 30, 2026. There has been no disagreement between the Audit and Compliance Committee and the auditor with the accounting treatment adopted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES BY THE COMPANY

There was no purchase, sale or redemption of any listed securities (including sale of treasury shares) of the Company by the Company or any of its subsidiaries during the six months ended June 30, 2026.

SUBSEQUENT EVENT

In July 2026, a subsidiary of the Company refinanced an unsecured credit facility that had an outstanding balance of US$51,360,000 as at June 30, 2026 (December 31, 2025: US$49,808,000) and was scheduled to mature in October 2027. Under the refinancing arrangement, the existing facility was replaced by three separate unsecured term loans borrowed by three separate subsidiaries of the Company, with principal amounts of US$14,720,000, US$26,340,000, and US$10,300,000. The loans bear variable interest rates based on the China Loan Prime Rate less 0.89%, 0.73%, and 0.56%, respectively. The loans mature in July 2027 as a bullet maturity, October 2027 as a bullet maturity, and July 2029 with principal amortization of 12.5% paid semi-annually until July 2029 when the remainder is due, respectively. As of the refinancing date, there was US$5,150,000 remaining undrawn borrowing capacity under these facilities.

FORWARD-LOOKING STATEMENTS

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

By order of the Board
Nexteer Automotive Group Limited
Fengtao DING
Chairman and Chief Executive Officer

Hong Kong, August 12, 2026

As of the date of this announcement, the Company's Executive Directors are Mr. Fengtao DING (Chairman and Chief Executive Officer) and Mr. Robin Zane MILAVEC, the non-Executive Directors are Mr. Zili LEI, Ms. Wendong ZHANG and Mr. Kun QIAO, and the Independent non-Executive Directors are Mr. Jianjun LIU, Dr. Bin WANG and Mr. Yun YUE.