Prinx Chengshan Holdings Limited

浦林成山控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1809)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors of Prinx Chengshan Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries for the six months ended 30 June 2026. This announcement, containing the full text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of interim results. The Company's 2026 interim report will be available for viewing on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and of the Company at www.prinxchengshan.com on or before 30 September 2026.

Contents

Corporate Information

The business of Prinx Chengshan Holdings Limited (the "**Company**", together with its subsidiaries collectively, the "**Group**" or "**Prinx Chengshan**") started in 1976 and is headquartered in Rongcheng City, Shandong Province, the People's Republic of China (the "**PRC**"). It is a modern enterprise focusing on tire design, research and development, manufacturing, sales and provision of tire life-cycle services, and is also a leading domestic tire manufacturer. Over the years, Prinx Chengshan has adhered to the core strategies of "cost leadership, efficiency driven, competitive differentiation and global operation" to strive for global development, possesses two major production bases in China and Thailand, two major research and development ("**R&D**") centres in Qingdao and Rongcheng (China), four technology centres in North America, Europe, Thailand, and Malaysia (under construction), and has established three major sales centres in China, North America and Europe and commenced the construction for a third production base in Malaysia to develop a global business operation.

The Company currently has four well-known tire brands, namely Prinx (浦林), Chengshan (成山), Austone (澳通) and Fortune (富神), and four major product categories, namely all steel radial tires ("**All Steel Radial Tires**"), semi-steel radial tires ("**Semi-Steel Radial Tires**"), bias tires ("**Bias Tires**") and off-the-road tires ("**OTR Tires**"). All Steel Radial Tires are mainly used in medium/long-distance transportation, buses, mixed road or off-road vehicles, light trucks, etc.; Semi-Steel Radial Tires are mainly used in passenger vehicles, pick-up trucks, sport utility vehicles (SUVs) and other types of vehicles; Bias Tires are mainly installed in vehicles in agricultural and industrial off-road conditions; OTR Tires are mainly applied to off-road operating machinery in the construction, agricultural and industrial sectors, such as mining engineering equipment, agricultural machinery and forklifts. The Group's products have obtained certifications from relevant authorities in major tire markets around the world, including Department of Transportation of the USA ("**DOT**"), Economic Commission of Europe ("**ECE**") R117, etc.

BOARD OF DIRECTORS

Executive Directors

Mr. Che Baozhen *(resigned as Chief Executive Officer on 1 August 2026)*
Mr. Shi Futao
Mr. Jiang Xizhou *(appointed as President on 1 August 2026)*

Non-executive Directors

Mr. Che Hongzhi *(Chairman)*
Mr. Shao Quanfeng
Ms. Wang Ning

Independent Non-executive Directors

Mr. Jin Qingjun
Mr. Choi Tze Kit Sammy *(resigned on 1 March 2026)*
Mr. Wang Chuansheng
Mr. Chan Chi Fung, Leo *(appointed on 1 March 2026)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Choi Tze Kit Sammy *(Chairman) (resigned on 1 March 2026)*
Mr. Chan Chi Fung, Leo *(Chairman) (appointed on 1 March 2026)*
Mr. Wang Chuansheng
Mr. Jin Qingjun

NOMINATION AND REMUNERATION COMMITTEE

Mr. Jin Qingjun *(Chairman)*
Ms. Wang Ning
Mr. Choi Tze Kit Sammy *(resigned on 1 March 2026)*
Mr. Chan Chi Fung, Leo *(appointed on 1 March 2026)*

DEVELOPMENT STRATEGY AND ESG COMMITTEE

Mr. Che Hongzhi *(Chairman)*
Mr. Wang Chuansheng
Mr. Jin Qingjun

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AUTHORISED REPRESENTATIVES

Mr. Shi Futao
Ms. Cao Xueyu

COMPANY SECRETARY

Ms. Cao Xueyu *(CPA (Aust.), ACMA)*

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PRINCIPAL BANKS

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Agricultural Bank of China
Industrial and Commercial Bank of China
China Construction Bank
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

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COMPANY'S WEBSITE

www.prinxchengshan.com

STOCK CODE

1809

LISTING DATE

9 October 2018

Financial Summary

Summary of the Interim Condensed Consolidated Statement of Profit or Loss

	For the six months ended 30 June		For the year ended 31 December
	2026	2025	2025
	RMB'000	RMB'000	RMB'000
Revenue	**5,786,325**	5,705,196	11,806,801
Gross profit	**975,000**	947,502	2,137,787
Finance costs	**(3,856)**	(4,778)	(243)
Profit before income tax	**457,423**	502,476	1,194,387
Income tax expense	**(43,720)**	5,170	(106,793)
Profit for the period/year	**413,703**	507,646	1,087,594
Profit attributable to:			
— Shareholders of the Company	**413,744**	507,631	1,087,559
— Non-controlling interests	**(41)**	15	35
	413,703	507,646	1,087,594

Consolidated Assets, Liabilities and Non-controlling Interests

	For the six months ended 30 June		For the year ended 31 December
	2026	2025	2025
	RMB'000	RMB'000	RMB'000
Total assets	**12,047,909**	10,984,224	11,744,674
Total liabilities	**(4,883,514)**	(4,245,832)	(4,555,265)
Non-controlling interests	**87**	66	46
Equity attributable to shareholders of the Company	**7,164,482**	6,738,458	7,189,455

Major financial indicators for the six months ended 30 June 2026

Revenue
5,786.3
RMB in million
+1.4% YoY

Gross Profit
975.0
RMB in million
+2.9% YoY

Gross Profit Margin
16.9%
+0.3pct YoY

Net Profit Margin
7.1%
-1.7pct YoY

EBITDA*
746.5
RMB in million
-5.6% YoY

Earnings per Share – Basic
0.65
RMB
-18.1% YoY

* EBITDA is earnings before interests, taxes, depreciation and amortisation

Certain amounts and/or percentages presented herein show minor differences compared with the 2025 Interim Report due to rounding adjustments.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

Industry dynamics

For the six months ended 30 June 2026 (the "**Reporting Period**"), China's automobile production and sales recorded a slight year-on-year decline, while the transition from traditional growth drivers to new growth drivers accelerated. According to data of the China Association of Automobile Manufacturers (CAAM), from January to June 2026, automobile production and sales amounted to 14.993 million units and 15.017 million units, respectively, representing year-on-year decreases of 4.0% and 4.1%, respectively. Among these, production and sales of new energy vehicles (NEVs) reached 7.438 million units and 7.446 million units, respectively, representing year-on-year increases of 6.7% and 7.3%, respectively. The penetration rate of NEVs reached 49.6%, and further rose to 58.5% in June 2026. The passenger vehicle market weakened overall, while the commercial vehicle market recorded counter-cyclical growth, driving a corresponding divergence in the original equipment (OE) market. As a result, the OE demand for Semi-Steel Radial Tires came under pressure, whereas the OE demand for All Steel Radial Tires maintained growth.

China's tire industry was broadly characterised by volume growth, price decline, structural divergence and margin pressure. According to the National Bureau of Statistics, domestic production of rubber tire casings reached 607 million units in the first half of the year, representing a year-on-year increase of 2.0%. The domestic replacement market was subdued, dampened by soft consumer spending. The export market exhibited a pattern of rising volumes but falling prices. Data from General Administration of Customs showed that exports of new pneumatic rubber tires amounted to 362 million units, up 3.9% year-on-year, while export value decreased by 1.2% year-on-year to RMB79.14 billion. The increase in export volume was primarily driven by emerging markets in Africa, Latin America and Southeast Asia, which helped to offset the shortfall in European and American markets.

The tire industry's profitability faced multiple external headwinds. Prices of key raw materials, including natural rubber, synthetic rubber and carbon black, fluctuated on an upward trend, driving up production costs. Elevated shipping costs resulting from geopolitical conflicts in the Middle East, coupled with a strengthening of the Renminbi exchange rate on a volatile trajectory during the first half of 2026, further weighed on the profitability of overseas operations. In response to mounting cost pressures, a number of domestic tire manufacturers initiated multiple rounds of price increases from late March 2026 onwards. However, the pass-through effect was limited amid lukewarm end-user demand, impeding the industry's overall earnings recovery.

Structural differentiation in products and market

During the Reporting Period, both production volume and sales volume of domestic All Steel Radial Tires achieved growth, driven by overseas demand and the OE demand from new energy heavy-duty trucks. The domestic freight market experienced overcapacity, with sluggish demand in the traditional replacement market and elevated channel inventory. The commercial vehicle industry exhibited high prosperity. In the first half of the year, the cumulative production volume of domestic commercial vehicles increased by 8.2% year-on-year, and the penetration rate of electric heavy-duty trucks rose, effectively driving the OE demand for new energy All Steel Radial Tires characterised by heavy-load capacity and tear resistance performance. Furthermore, import substitution in the high-end OE segment became a core growth driver. Overseas demand served as a fundamental pillar for All Steel Radial Tires. In the first half of the year, the export volume of All Steel Radial Tires from China reached 38.52 million units, accounting for over 52% of total demand, with both domestic and overseas demand jointly underpinning the growth in All Steel Radial Tires production and sales. During the Reporting Period, the production volume of domestic All Steel Radial Tires was approximately 74.75 million units (representing a year-on-year increase of 0.78%), and the capacity utilisation rate was approximately 60.88%, up 3.48 percentage points year-on-year.

During the Reporting Period, the domestic replacement market for Semi-Steel Radial Tires experienced lukewarm demand and intensified price competition. The cumulative production volume of domestic passenger vehicles declined by 5.9% year-on-year, weighing on order intake in the Semi-Steel Radial Tires OE market. On the export front, modest volume growth was achieved solely due to the concentrated rush to fulfil orders ahead of the implementation of the European Union (the "**EU**") anti-dumping duties, while the average export price declined year-on-year. Over the long term, new energy vehicles are opening up growth opportunities. Given the higher kerb weight and substantial instantaneous torque of new energy vehicles, their tires are subject to faster wear rates and shortened replacement cycles. As the existing fleet of new energy passenger vehicles progressively enters its replacement cycle, this will continue to drive replacement demand for dedicated tires featuring low rolling resistance, high wear resistance, quiet operation, and large rim diameters. During the Reporting Period, the production volume of domestic Semi-Steel Radial Tires was approximately 346 million units, representing a year-on-year increase of 1.59%, and the average capacity utilisation rate was 67.50%, a slight year-on-year decrease of 0.05 percentage point.

On the market front, trade barriers and green entry thresholds for tire products in mature markets such as Europe and the United States ("**US**") have been simultaneously elevated, accelerating the restructuring of the industry's global supply chain. The EU's definitive anti-dumping duties on passenger car and light truck tires originating from China officially took effect on 8 July 2026. The Group, along with other cooperating responding enterprises, is subject to a duty rate of 24.4%, while the rate for non-cooperating enterprises reaches as high as 45.3%. The EU has been imposing long-standing anti-dumping and countervailing duties on heavy-duty truck and bus tires originating from China since 2018, and following the expiry review ruling in 2025, these measures have been extended until 2030. Headwinds for domestic tire exports to the EU have intensified, with the EU's import demand continuing to shift towards overseas production bases such as Southeast Asia. This is compounded by the implementation of the EU Deforestation Regulation (EUDR) and the new tire labelling regulations, further raising the compliance threshold for low-end, budget-priced tires entering the EU market. Concurrently, the United States has maintained a long-term policy of imposing high anti-dumping and countervailing duties on all categories of tires originating from China. Currently, the scale of domestic tire sales to the US accounts for an extremely low proportion, as the supply of US tire imports has comprehensively shifted to overseas production bases, including Thailand, Vietnam, Cambodia, and Mexico. The restructuring of the industry's global supply chain is accelerating.

New trends in competition within the tire industry

Driven by multiple factors, including escalating global trade barriers, diverging supply-demand structures, and the implementation of new green regulations, the global tire industry landscape is undergoing accelerated restructuring. The core of industry competition has shifted comprehensively from scale-driven volume growth to value-enhancing quality improvement. In response to industry pain points such as high tariff barriers in Europe and the United States and cut-throat competition in the low-end market, leading domestic enterprises have continued to optimise their global deployment. On one hand, they have established localised overseas production capacities to circumvent trade barriers and hedge against logistics and exchange rate fluctuation risks, thereby strengthening the resilience of their global supply chains. On the other hand, they are deepening their presence in the high-end differentiated product track, focusing on niche segments and leveraging technological upgrades to achieve import substitution and product premiums.

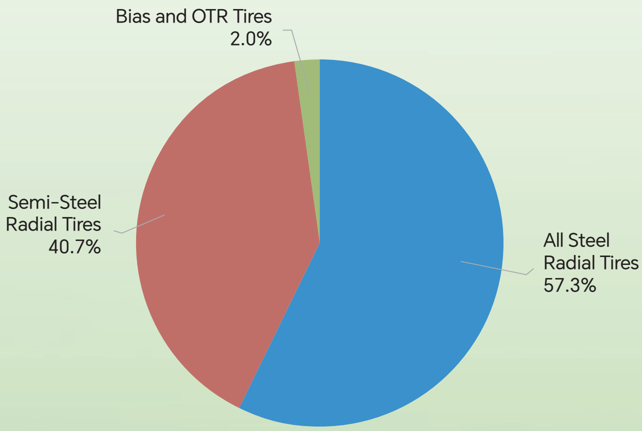
Source: National Bureau of Statistics, General Administration of Customs, CAAM and Sublime China Information.

OPERATION REVIEW

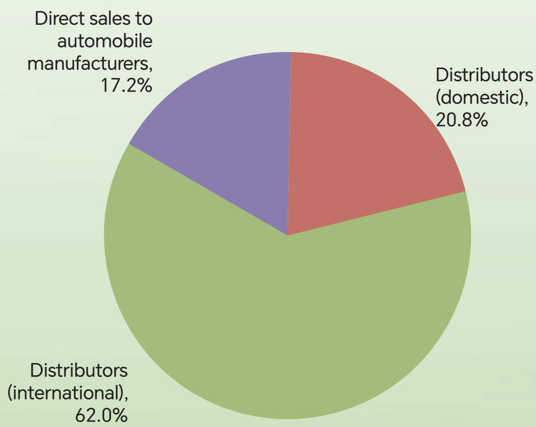
The Company has been deeply engaged in tire design, research and development, manufacturing and sales for fifty years. With the mission and vision of "leading tire innovation, contributing to smart travel and sustainable development, and achieving a better life", Prinx Chengshan adheres to the core strategy of "cost leadership, efficiency driven, differentiated competition, and global operation".

During the six months ended 30 June 2026, the Group sold approximately 14.8 million sets of tires, representing a year-on-year increase of 4.4%. Among them, sales of All Steel Radial Tires amounted to approximately 4.3 million sets, representing a year-on-year increase of 9.0%; sales of Semi-Steel Radial Tires amounted to approximately 10.3 million sets, representing a year-on-year increase of 2.7%; sales of Bias and OTR Tires amounted to approximately 0.2 million sets, representing a year-on-year decrease of 4.3%. During the Reporting Period, the Group recorded revenue of approximately RMB5,786.3 million, representing a year-on-year increase of 1.4%, gross profit of approximately RMB975.0 million, representing a year-on-year increase of 2.9%, profit attributable to owners of the Company of approximately RMB413.7 million, representing a year-on-year decrease of 18.5%, EBITDA*(Note 1)* of approximately RMB746.5 million, representing a year-on-year decrease of 5.6%, and EBITDA margin*(Note 2)* of 12.9%, representing a year-on-year decrease of 1 percentage point.

For the six months ended 30 June 2026, the Group's revenue from domestic distributor channels amounted to approximately RMB1,201.8 million, representing a year-on-year increase of 18.1%; the revenue from international distributor channels amounted to approximately RMB3,586.9 million, representing a year-on-year decrease of 7.9%; and the revenue from direct sales to automobile manufacturers amounted to approximately RMB995.7 million, representing a year-on-year increase of 25.8%. Among them, All Steel Radial Tires and Semi-Steel Radial Tires accounted for approximately 57.3% and 40.7% (for the six months ended 30 June 2025 (the "**Corresponding Period of 2025**"): 55.3% and 43.2%) of the Group's revenue from tires, respectively, while Bias and OTR Tires accounted for approximately 2.0% (for the Corresponding Period of 2025: 1.5%); the revenue from the tire production base in Shandong and the tire production base in Thailand accounted for approximately 63.0% and 37.0% of the Group's revenue from tires, respectively (for the Corresponding Period of 2025: 61.6% and 38.4%).



Sales by product type



Sales by channel

Note 1: EBITDA is earnings before interests, taxes, depreciation and amortisation

Note 2: EBITDA margin = (EBITDA/sales revenue) × 100%

During the Reporting Period, the Group adhered to the core values of "customer first, being responsible, devotion and professionalism, innovation and opening up", and organised and carried out various tasks with a pragmatic, open and enterprising attitude.

(I) Innovation-driven intelligent manufacturing upgrade, efficiency improvement through lean production

Prinx Chengshan continued to deepen its presence in the field of advanced tire manufacturing, accelerated the intelligent transformation with technological innovation as the core engine, and promoted the upgrading of manufacturing models towards digitalisation and lean production. The Group adhered to the business philosophy of "customer first, quality first", and deeply integrated intelligent technology with lean production based on comprehensive quality control.

During the Reporting Period, the Group completed a total of 123 Lean Six Sigma projects, significantly reducing defect rates and optimising resource allocation through process digitalisation, equipment interconnection and data-driven improvements. At the same time, the Group established an incentive mechanism, under which a total of 4,149 rationalisation proposals covering various aspects of production, equipment and on-site operations were implemented in the first half of 2026. This effectively enhanced the standardisation level of factories and overall operational efficiency, fully maximising the benefits of smart manufacturing through lean management.

In March 2026, the Ministry of Industry and Information Technology officially announced the second batch of List of Enterprises with High-Level Quality Management Capability (質量管理能力高等級企業名單) nationwide. Prinx Chengshan received a "Prevention Level" rating, making it the sole tire enterprise among the only 7 enterprises nationwide to receive this honour, and marking a significant transition for the Company's quality management system from "post-event inspection" to a new phase of "pre-event prevention".

(II) Integrating automation and digital technologies to build an intelligent supply chain system

During the Reporting Period, Prinx Chengshan operated with a focus on two core areas: the iteration of digital system and the upgrading of shipping logistics operations, to comprehensively improve quality and efficiency of supply chain and logistics management. In terms of digitalisation construction, the Group established a closed-loop data system covering the entire supply chain, improved cross-module planning coordination capabilities, and realised full-process online closed-loop management and control from order placement to warehouse receipt. At the same time, risk early warning analysis functions have been newly introduced and a dynamic early-warning mechanism for slow-moving inventory has been established, effectively implementing refined inventory management and control.

In the first half of 2026, Prinx Chengshan continuously improved its supply chain sustainability management system, and perfected its full-lifecycle supplier management mechanism with a focus on environmental and social responsibility, as well as compliance governance. The Group comprehensively integrated indicators such as green and low-carbon practices, environmental compliance, work safety, labour rights and commercial integrity into its supplier admission, daily evaluation, annual assessment and dynamic de-listing processes, reinforcing the requirements for supply chain sustainability management and control. At the same time, the Group promoted the upgrading of the institutional system by introducing special measures for risk management and change management to address any gaps in its management systems. Furthermore, the Group's procurement maintained a green and low-carbon orientation, prioritising environmentally friendly, recycled, low-volatile organic compounds and low-carbon raw materials, while promoting packaging recycling and waste resource reuse to continuously reduce the environmental impact of the supply chain. The Group strictly regulated supplier compliance management, urging suppliers to implement international labour standards, sign anti-commercial bribery clauses, and establish whistleblower protection mechanisms to eliminate improper transfer of benefits at the source. In addition, through special training, on-site guidance, annual reviews, and questionnaire surveys, the Group empowered suppliers to achieve collaborative improvement. Currently, all of the Group's core suppliers have implemented the "Supplier Code of Conduct", with a 100% coverage rate of corporate social responsibility questionnaires, effectively strengthening collaborative capabilities for the sustainable development across the supply chain.

(III) Optimising product matrix and deepening channel distribution to achieve growth in sales volume and revenue

Distributor channels

Domestic distributors

Commercial vehicle tire replacement channel

Prinx Chengshan has been deeply engaged in the field of commercial vehicle tires in China for many years, building up a wealth of industry expertise and outstanding competitive advantages. Its brand influence, product reputation and comprehensive image rank among the top in the industry, with its market penetration rate maintaining at a high level in the industry, setting a strong industry benchmark in the commercial vehicle tire replacement track.

During the Reporting Period, the Group continued to deepen its presence in the end-user replacement market, achieving remarkable results in channel development. The commercial vehicle tire replacement business demonstrated strong growth momentum, and operational quality was continuously optimised. The expansion of the end-customer base yielded impressive results, as evidenced by the Group's acquisition of 394 new high-quality retail customers during the Reporting Period. At the same time, the Group continued to improve its supporting service system, with the service cooperation network of "Chengshan Road Assistance Directory" expanding further to a cumulative total of 4,784 registered partner organisations, of which 3,615 have passed compliance review, further consolidating the end-user service footprint. At the current stage, the Group focuses on the dual-track strategy of "product + service", continuously optimising the structure of its product matrix and intensifying efforts in the R&D and marketing of high-end products. The market share of high-end products in terms of both sales volume and revenue steadily rose, effectively optimising overall profit quality and continuously consolidating its core competitive barriers in market segments.

Passenger vehicle tire replacement channel

During the Reporting Period, the Group focused on the passenger car tire replacement market, made efforts across multiple dimensions, including quality and efficiency improvement, brand upgrading and channel innovation, and implemented a number of innovative business initiatives to revitalise the end-user market and solidify brand's competitive advantages.

In terms of brand marketing, the Group embraced the trend of digital development by actively expanding into new media marketing sector. It regularly operated the live-streaming account of "Prinx Chengshan-Austone Rally (浦林成山澳通集結號)" on Douyin, enhancing online brand exposure. At the same time, the Group capitalised on the peak sales season in the first quarter to launch special spring promotional campaigns, covering a cumulative total of over 2,400 person-times of personnel from distributors and terminal stores, thereby boosting confidence within the distribution channels. Through innovative marketing models, the Group deeply integrated product experience with public welfare undertakings, organising specialised test-drive charity events to fully demonstrate product performance and enhance brand reputation and market credibility.

In terms of channel development, the Group introduced an innovative channel incentive mechanism, launching a monthly performance reporting system for distributors and a benchmark recognition mechanism to fully mobilise distributors' enthusiasm for business operations. Furthermore, the Group launched the online direct sales programme for passenger car tires in June 2026, focusing on its two core replacement products of "Prinx Chroma Sprite" and "All-Season Tires". This initiative implemented nationwide unified benchmark price management to standardise end-user distribution and pricing ecosystem, and accelerating channel digital transformation.

International marketing

During the Reporting Period, the Group achieved remarkable results in the layout and expansion of its overseas sales channels. In terms of channel layout, the Group developed a total of 39 new overseas distributors, opening up the new market of Mali. Leveraging its multi-point layout, the electric vehicle tire business was launched successively in countries such as Colombia, Ecuador, the Philippines and Chile, further deepening the Group's cooperation with overseas distributors. During the Reporting Period, the Group's overseas OE business progressed steadily. By leveraging on the geographical advantages of the tire production base in Thailand, the Group successfully developed the second OE project, MG S5EV (Thailand version), for SAIC MG. Following the successful bid for the Nevo Q05 (Thailand version) full model series OE project of Changan Automobile in June 2025, the Group commenced volume supply in 2026. In addition, the Group continued to deepen its European OE projects to ensure stable supply.

In order to enhance the efficiency of global supply chain and localised service capabilities, the Group has established overseas warehouses and distribution logistics centres in Europe and the United States to strengthen terminal market response speed and service capabilities, continuously improving the overseas sales service system. During the Reporting Period, the operating efficiency of overseas warehouses improved significantly.

Direct sales to automobile manufacturers

During the Reporting Period, the Group achieved substantial year-on-year growth in both revenue and profit from its OE channels, with significant improvements in operational quality and continued expansion of its OE footprint. During the Reporting Period, the Prinx Chengshan Brand Day event was held at JMC, further deepening cooperation between both parties in fields such as R&D, supply chain assurance and technological upgrading. The channel sales and R&D centre engaged in technical exchanges with vehicle manufacturers such as Shaanxi Automobile, Sinotruk and Foton, highlighting the advantages of mid-to-high-end products and electric vehicle specific tire products, thereby boosting product value enhancement and OE pricing optimisation.

In the commercial vehicle sector, the Group has achieved comprehensive and balanced development in the heavy-duty truck, medium-duty truck and light truck markets, maintaining a high cooperation share with the top five automobile manufacturers in each segmented market. During the Reporting Period, the Group expanded its range of OE specifications for Shaanxi Automobile for both domestic and overseas markets, including the designated OE supply for the flagship high-end model Delong X6000 tractor. Currently, the Group continues to supply a stable range of commercial vehicle tire OE to automobile manufacturers such as Sinotruk, Shaanxi Automobile, FAW, Foton, DeepWay Technology and Qingling.

In the passenger vehicle sector, the Group's passenger vehicle tire OE business has successfully entered the supply chain systems of mainstream passenger vehicle manufacturers such as Great Wall Motor, SAIC Motor Passenger Vehicle and Chery New Energy. During the Reporting Period, the Group newly obtained the admission qualification from, and entered into an agreement with NAVECO, an automobile manufacturer. The Group successfully secured the designated OE supplier status for the high-specification all-electric EC15-1 model in Great Wall Motors' ORA 5 Series, and was awarded the OE contract to supply 225/45R19 silent cotton tires. Furthermore, the Group provided OE passenger vehicle tires for multiple leading passenger vehicle and new energy vehicle manufacturers such as Great Wall Motor, Chery Automobile, JMC, SAIC Motor Passenger Vehicle and BYD.

Since 2022, the Group has deeply cultivated the mid-to-high-end logistics segment market, establishing in-depth strategic cooperation with leading express delivery and freight enterprises, maintaining high-quality cooperation in sub-sectors such as long-haul tractors, medium and short-haul trucks and urban distribution vehicles. During the Reporting Period, the Group continued to secure designated OE orders for new vehicles for logistics fleets, with a solid foundation for the growth of logistics channels, which continuously contributed to the growth of the direct sales business.

(IV) Multi-brand and differentiated brand strategy

During the Reporting Period, the Group continued to deepen the development of its brand portfolio and global layout centred on its four major brands of "Prinx", "Chengshan", "Austone", and "Fortune", comprehensively enhancing brand value and market influence.

On 9 June 2026, the Group premiered its premium global brand "Prinx" commercial vehicle tire product series at the Tire Cologne in Germany, marking the official launch of the "Prinx" brand in the European commercial vehicle market. Leveraging the localised R&D advantages of the European Technical Centre, the Group showcased a complete product matrix covering all scenarios including long-haul mainlines, regional transportation and mixed road conditions. The full series is equipped with core technologies of low rolling resistance and high wear resistance, as well as the IntelliGuard intelligent tire monitoring system, and is complemented by full-lifecycle tire operational and maintenance services, thereby establishing a comprehensive presence in the premium commercial vehicle tire sector in Europe.

Rooted in traditional Chinese culture, the "Chengshan" brand upholds its core positioning as "the choice of Chinese drivers". It integrates its independently designed seal script "Chengshan" logo into the sidewall design of commercial vehicle tires and continuously promotes its "Hua" series passenger vehicle tire products, which feature traditional Chinese-style motifs such as auspicious clouds and Ruyi patterns. The "Chengshan" brand is deeply embedded in the domestic market and is focusing its efforts on the specialty tire sector, continuously consolidating its advantages in such segment. The "Austone" brand adheres to its brand philosophy of "With Love, Every Moment Matters (與愛相伴，不負分秒)", leveraging cutting-edge technology to create high-quality, human-centric driving solutions that balance excellent product performance with genuine care. The Group launched its Austone high-end product line, the "MEI (魅)" series, in 2026, deeply integrating cutting-edge manufacturing technology, a comprehensive safety protection system, and an absolute comfortable driving experience, thereby redefining the product value and market standards for high-end tires. On 26 to 27 April 2026, Prinx Chengshan held a charity event in Kunming for the "Austone" new product, "Meijie (魅介)", donating educational supplies to schools in mountainous areas, while conducting product test rides and driving across various road conditions and on specialised test tracks. This fully demonstrated the handling, durability and comfort performance of the "Meijie" tires, thereby conveying both the Company's social responsibility and the product's value. Since its inception, the "Fortune (富神)" brand has been driven by its spiritual core of "The Brave Forge their own Strength with Passion (澎湃於心，勇者自強)", and has long served as the official tire partner of the American Hockey League. By leveraging professional top-tier sports platforms, the brand extends its daring and enterprising brand spirit onto the racetrack, infusing its athletic DNA in its forward-moving brand spirit.

In June 2026, the first Latin America Distributor Brand Promotion Conference and European Distributor Conference with the theme of "Grow Together, Win Together (同心同行　共創共贏)" was successfully held in Brazil, gathering distributors from Peru, Brazil, and Mexico. The Group highlighted several flagship products of commercial vehicle and passenger vehicle tires, tailored to local driving scenarios and market demands, deepening Latin American customers' recognition of Prinx Chengshan's brand heritage and technological strength.

"Prinx" commercial vehicle tires officially launched in Europe, making a stunning debut at the Tire Cologne 2026 in Germany

In June 2026, Prinx Chengshan's first Latin America Distributor Brand Promotion Conference was successfully held in Brazil

In terms of exhibitions, the Group actively leveraged industry exhibitions to expand its brand influence, and successively participated in various domestic and international professional exhibitions such as the Harbin Agricultural Machinery Exhibition, Guangrao Tire Exhibition, and Xinjiang International Agricultural Machinery Exhibition, covering the product lines of passenger vehicle tires, commercial vehicle tires and specialty tires, continuously enhancing the brand's recognition and reputation within the industry.

In terms of sports marketing, the Garrett Trucksport team, for which the "Prinx" brand serves as the core sponsor, made a spectacular debut at the FIA European Truck Racing Championship in the first half of 2026. Leveraging the platform advantages of such top-tier international event, the Prinx brand effectively radiated the European market and significantly enhanced the brand reputation, enabling more overseas consumers to gain a genuine appreciation of the hard-core strength of "Intelligent Manufacturing in China".

The Group's "Fortune" brand continued to act as the official tire partner of the American Hockey League ("**AHL**"), further consolidating the shared commitment of both parties to product performance, quality and technological innovation. Since 2024, "Prinx" has become the official tire sponsor of the United Soccer League (USL), connecting with millions of football fans across the United States.

In 2026, Prinx Chengshan sponsored the Garret Trucksport team, which made a debut at the 2026 FIA European Truck Racing Championship

The Prinx brand sponsored the United Soccer League

Leveraging mainstream digital communication platforms, the Group built a self-media ecological matrix and synchronously advanced differentiated content strategies, forming a full-domain content operation system characterised by synergistic collaboration and precise distribution. Each major brand operated as an independent entity and made coordinated efforts to jointly build brand reputation. In May 2026, the brand value of the Group evaluated by the China Council for Brand Development reached RMB4.675 billion, representing a year-on-year increase of 18.65%, with brand awareness and premium pricing power continuing to strengthen.

(V) Innovative sales model

In response to the development requirements of the Group, the Group adjusted Zhianda strategic operating model by deeply integrating its tire leasing business with its commercial vehicle tire sales business. By adopting the "product + service" approach, the Group aims to further expand its presence in the commercial vehicle tire market such as trucks and buses. By June 2026, Zhianda has comprehensively terminated its pure leasing business model, and transferred high-quality customers to other sales channels of the Group to ensure the strong loyalty between such high-quality customers in the market and Chengshan brand tires. It is expected that the Group will complete the transfer of Zhianda's leasing business in the second half of 2026.

(VI) Production capacity

The Group's Tire Production Base in Shandong currently has a production capacity of 7.4 million sets of All Steel Radial Tires and 11.53 million sets of Semi-Steel Radial Tires per year, and the Tire Production Base in Thailand currently has a production capacity of 2 million sets of All Steel Radial Tires and 10 million sets of Semi-Steel Radial Tires per year. In the first quarter of 2026, the Group achieved trial production of giant tires in the Shandong Off-The-Road ("**OTR**") Tire project, and the production capacity is currently being gradually ramped up. Meanwhile, the Group commenced the construction of Tire Production Base in Malaysia (with production capacity of 600,000 sets of All Steel Radial Tires per year and 6 million sets of Semi-Steel Radial Tires per year) in the fourth quarter of 2025. It is expected that the first tire will roll off the production line in the fourth quarter of 2026, with production capacity to be gradually ramped up from 2027 onwards.

In the first half of 2026, the capacity utilisation rates of All Steel Radial Tires/Semi-Steel Radial Tires at the Tire Production Base in Shandong were 94.6%/91.8% respectively, and the capacity utilisation rates of All Steel Radial Tires/Semi-Steel Radial Tires at the Tire Production Base in Thailand were 76.4%/91.9% respectively.

In January 2026, the first giant tire, 30.00R51, in the Shandong OTR Tire project rolled off the production line

(VII) Increasing investment in R&D and striving for innovation

During the Reporting Period, the Group continuously increased its investment in R&D, adhering to the innovation-driven development strategy. Focusing on the layout of green and low-carbon, digital and intelligent, high-performance and internationalised products, the Group continuously refined its global R&D system and innovation platforms, while continuously enhancing independent innovation capabilities and core technological competitiveness, empowering product upgrades, market expansion and high-quality development through technological innovation.

The Group continued to strengthen its R&D capabilities and accelerated the upgrading of its digital R&D system. During the Reporting Period, the Group completed the construction of its R&D knowledge base and R&D data centre, as well as the interconnection of data and knowledge across R&D platforms. It also completed the iterative upgrade of the expert design system, and successfully established a full-process digital R&D system covering product requirements, product definition, design and development, simulation analysis, testing and validation, process introduction and product realisation. Relying on a unified data foundation, knowledge system and business processes, the Group further enhanced R&D synergy efficiency, knowledge reusability and product development quality, laying a solid foundation for global R&D synergy and digital innovation.

By consistently combining market demand orientation with technological innovation, the Group continuously advanced R&D efforts in green materials, high-performance products and key technologies for new energy tires, achieving positive progress in multiple key R&D fields. In terms of green materials, passenger vehicle tires comprising 92% high percentage of sustainable materials were successfully trial-produced and rolled off the production line, with wet grip performance reaching the industry's highest A-level standard, making a significant breakthrough in the application of green and low-carbon materials.

Leveraging continuous R&D investment and technological innovation, the Group further enhanced the competitiveness of its products, and continuously improved its capabilities in platform-based product development, rapid response to international markets and synchronous development with automobile manufacturers, which provided strong support for expansion into the new energy, international and high-end OE markets. At the same time, the continuous improvement of the digital R&D platform effectively shortened new product development cycles, enhanced R&D efficiency and the ability to commercialise innovative achievements, thereby providing a crucial safeguard for the Group to build long-term competitive advantages.

The Group continued to strengthen the construction of its intellectual property system and continuously improved the protection mechanism for innovative achievements. As at the end of the Reporting Period, the Group has cumulatively been granted 582 intellectual property rights, including 33 invention patents, 367 utility model patents and 215 design patents, continuously consolidating its independent intellectual property reserves and providing solid support for technological innovation and high-quality development.

In the future, the Group will continue to focus on key areas such as green and low-carbon, new energy, intelligent tires and digital R&D. It will accelerate research into key core technologies, deepen global R&D synergy and open innovation, and continuously enhance R&D efficiency, technological innovation capabilities and product competitive advantages, with the aim of driving the enhancement of brand value and the implementation of its globalisation strategy through sustained innovation.

(VIII) Organisational management upgrade and corporate culture construction

The Group focuses on enhancing organisational management efficiency and deepening corporate culture to solidify the foundation for sustainable development. The Group comprehensively optimised its organisational structure, clarified departmental responsibilities and improved cross-departmental collaboration mechanisms. It also advanced the standardisation of internal management, and enhanced the overall level of operational governance.

In terms of talent development, the Group built a tiered talent cultivation system and solidly advanced the building of its management teams. The Group has launched the 2026 Middle Management training programme, focusing on specialised instruction in cutting-edge industry knowledge, practical operations across business segments, and modern management skills. Meanwhile, study groups have been formed to conduct practical project exercises, so as to address gaps in the job performance capabilities of young management talents.

To solidify the capabilities of the core management team, starting from June 2026, the Group has organised its middle and senior management personnel to participate in the second phase of the "Chengshan Group & Peking University Business Administration (Leadership) Seminar". Tailored to the Group's operational realities, this seminar offered core courses such as interpretation of economic situations, marketing, brand management, and operational risk control, assisting the management to broaden their strategic vision and refine their management capabilities, thereby empowering the high-quality and long-term development of the Group.

In terms of culture construction, the Group continued to deepen the Chengshan "Family" Culture, regularly organising team-building activities, care initiatives and role model recognition programmes to enhance employees' sense of honour and belonging. It also normalised the onboarding training for new hires to accelerate their integration into the organisation. At the same time, the Group comprehensively advocated its core values of "customer first, being responsible, devotion and professionalism, innovation and opening up", guiding all employees to fulfil their duties in accordance with established standards and take the initiative in fulfilling their responsibilities.

The Group steadily advanced the building of a learning organisation, fostering a strong internal learning culture through weekly learning sessions and book-and-film clubs, while deepening the "external introduction + internal cultivation" training model. During the year, we launched a company-wide English learning programme to comprehensively enhance the overall competence of all employees. In addition, by facilitating multi-channel opinion collection channels, the Group extensively absorbed rational suggestions from employees to mobilise the enthusiasm of the entire workforce, thereby fostering a positive ecosystem for co-creation and shared development in corporate culture, and solidifying the soft power for the Company's sustainable development.

(IX) AI empowering intelligent manufacturing

In terms of intelligent manufacturing, during the Reporting Period, the Company focused on advancing the Manufacturing Execution System (MES) project for OTR, while identifying over 70 smart manufacturing and AI requirements across 7 major scenarios including rubber mixing, building, curing, quality control, and equipment, with more than 30 items having been developed by the end of June 2026. For the Equipment Asset Management (EAM) system, the AI-powered fault case analysis and notification feature was launched, and a standardised equipment maintenance knowledge base was established to enable maintenance personnel to quickly access standardised maintenance solutions for faults. For the Laboratory Information Management System (LIMS), an independent equipment data collection server was set up, enabling the automatic collection of test data from high-speed durability testing machines and the development of domestic stricter retesting operations. The Advanced Planning and Scheduling (APS) system saw the launch of core functions such as variance comparison for semi-finished product planning and validation of moulding and vulcanisation processes.

In terms of quality management, the Company applied artificial intelligence (AI) deep learning and machine vision technologies to tire defect detection, focusing on the two major scenarios of appearance surface defect identification and X-ray internal defect detection, to build an intelligent quality inspection system. Employing small-sample unsupervised learning algorithms, the training for a single testing item can be completed in approximately 10 minutes based on fewer than 100 normal tire samples. The system accurately covers more than 20 testing indicators such as tread, sidewall and pattern, reducing the testing cycle time per tire to 10-15 seconds, keeping the missed detection rate within 0.3%, and reducing the workload for manual re-inspection by over 70%.

In terms of digital marketing, the Company established separate digital marketing systems tailored to the distinct characteristics of domestic and international sales. For domestic sales, the Company completed the setup of the Dynamic CRM 365 environment on Alibaba Cloud and launched functions such as automatic inventory allocation to meet passenger vehicle customer orders and inventory allocation for scarce specifications in commercial vehicle tire replacement sales centre, continuously improving the efficiency of customer visits and the precision of order processing. For international sales, the Company established a normalised cross-system automatic data verification mechanism to achieve the consistency of customer master data, credit data and customs declaration data.

In terms of supply chain informationization, the Company completed the development and launch of the assembler function in the Warehouse Management System (WMS), and the Transportation Management System (TMS) achieved automatic identification and matching of return receipts. Development, testing and launch of the Prinx Malaysia Supplier Relationship Management (SRM) system have been completed; the automatic spare parts order conversion project has also been tested and launched; and Enterprise Resource Planning (ERP) related projects have completed the function optimisation and launch of the anti-dumping traceability system.

In terms of network and infrastructure, in line with the implementation of the OTR MES project, the Company completed the capacity expansion of local server storage and computing nodes as well as the corresponding comprehensive cabling project for the MES system. The Group completed the replacement and launch of the Palo Alto firewall at the headquarters and the deployment of firewall controllers, achieving unified firewall management and log collection. The Company completed the upgrade and transformation of the Active Directory (AD) domain controller, and achieved unified management in response to the strategic layout while enhancing the security level of the domain controller. The OTR Tire video monitoring project was officially connected to the network and put into operation as required.

The Company continued to advance data governance and platform construction. Based on the Datart open-source project, it conducted secondary development of the reporting data platform to enable functions such as operating performance reports and customer profiling. The OpenMetadata platform was deployed and configured in the production environment, and the DataSphere Studio platform was deployed, integrating components such as data exchange, data quality, and scheduled dispatching.

In the second half of the year, the Company will continue to advance the full-scale deployment of the MES system, deepen the application of AI in scenarios such as production decision-making and preventive equipment maintenance, proceed with the remaining tasks of the OTR Tire automation control project, accelerate the development of 5G, AI, and industrial internet infrastructure, and promote the further adoption of digital technologies in aspects such as R&D, production, supply chain, and sales services, building a more resilient global digital operational network.

New products

During the Reporting Period, the Group continued to implement the concept of "product + service", moving away from a race to offer identical specifications and instead focusing on the total cost of ownership and user experience throughout the product lifecycle, thereby providing users with high-value products. During the Reporting Period, the Group successfully developed and launched a total of 349 new products, including 275 passenger vehicle tire products, 53 commercial vehicle tire products, and 21 OTR Tire products. Through continued grid-based coverage of core global market segments, the Group achieved a dual-dimensional leap in both channel momentum and response speed at the point of sale.

In the passenger vehicle tires segment, the Group continued to improve the global layout of its product platforms, driving product upgrades and building a differentiated product matrix through iterative development of key technologies including wet-grip safety, new-energy tire handling, rolling resistance and noise performance:

— Completed the development and validation of the exclusive high-performance product platform for the North American market, and benchmarked against international first-tier brands to develop the new generation of high performance (HP)/ultra high performance (UHP)/highway terrain (HT) product lines targeting the North American market, with a focus on enhancing product safety, handling and rolling resistance performance;

— Launched a range of strategic new products, including the new generation UHP CSC/SP/FSR705 and HP CSC/SP/FSR805 fuel- and electric-vehicle (EV) compatible tires, which achieved a comprehensive upgrade in structure, compound and pattern, with core performance indicators such as braking on dry and wet surfaces and pass-by noise outperforming international first-tier competing products;

— Introduced a new color of "supreme glory red" to the Prinx XNEX SPORT EV "Chroma Sprite" series, which, together with "distinctive blue", "vibrant orange", "fresh green" and "dynamic yellow", formed a five-colour lineup, catering to diverse consumer preferences for personalisation;

— Pioneered the Prinx "Chiyu (馳域)" XONE 4S EV all-season electric tire targeting winter driving pain points in the northern market, delivering multiple breakthroughs in all-condition safety, handling, and energy efficiency, and expanding the application scenarios of new energy vehicle tires. The series is scheduled to launch domestically in the second half of 2026.

In the commercial vehicle tires segment, the Group advanced technology R&D and product iteration with the core direction of "full-scenario adaptability":

— Completed the development and industrialisation of series products for long-haul buses, Europe-customised models, and new energy commercial vehicles, overcoming industry-wide technical challenges such as durability under low-pressure conditions and load-carrying performance, and significantly enhancing the durability performance of all-steel tubeless tire beads;

— Achieved the integration of two core performances of low rolling resistance and high wear resistance in mass production, establishing a differentiated green technology barrier that helps customers reduce operating costs and consolidates the Group's technological advantages in the global commercial vehicle tire market;

— Completed the upgrade and restructuring of the product matrix covering long-haul mainlines, regional distribution, bus and passenger transport, and specialised operating conditions for new energy vehicles;

— Launched the first generation Prinx premium Xelera series in Europe in May 2026 for the long-haul segment, including the EcoLine series focusing on extreme energy saving, the EcoRoute series balancing fuel consumption and comprehensive costs, and the Route series adapted to complex road conditions, which together with existing products such as AR603, DR606, AR612 and DR622 formed a tiered product value system;

— Introduced a range of tires specifically designed for electric vehicles including ED61, ED26, DM71 EV, and DM75 EV, leveraging advanced technology reserves to address the high load and high torque characteristics of electric vehicles in response to the commercial vehicle electrification trend, and completed technical reserves for OE tires for long haul electric heavy duty trucks; all electric vehicle tire series are equipped with self developed high wear resistance and low energy consumption technologies, setting a benchmark for new energy commercial vehicle tires.

In the OTR Tires segment, the Group adhered to the core logic of "scenario-defines-product" to advance technology R&D and product iteration, continuously improving its specialty tire product matrix:

— Completed the full-process development of 57-inch giant engineering tires; the anti-crown separation technology for wide-body dump trucks passed long-term mine operation validation; the high-flex series of agricultural radial tires successfully passed performance validation, and secured OE projects from multiple leading domestic engineering machinery OEMs, achieving a key breakthrough in the high-end engineering machinery OE market;

— Moved away from homogeneous competition of general-purpose products, and with working-condition adaptability as the core criterion, successively launched 21 new specialty tire products, including 7 engineering radial tires, 8 agricultural radial tires, 5 industrial solid tires and 1 bias belted tire, comprehensively covering segment scenarios such as heavy-duty mining, port loading and unloading, farmland operations and industrial logistics;

— Launched the ET (Earthmover Traction), EL (Earthmover Loader), EC (Earthmover Compactor), ELD (Earthmover Loader Deep), and ERD Series (Earthmover Rock Deep) giant tire series in the engineering machinery tire segment, and restructured the product portfolio to suit scenarios such as mining stripping, underground operations, tunnel boring, and road machinery, while carrying out technical optimisation centred on "all-condition durability";

— Introduced the TX family series in the agricultural tire segment; leveraging exclusive tread patterns and compound formulations, it improved product wear performance by 15%, optimised groove bottom structures, and significantly enhanced anti-slip and self-cleaning capabilities;

— Introduced the 18.00B25 port tire and CS01, CS02 industrial solid tires for port and industrial vehicles, designed to fit reach stackers, empty container handlers, forklifts, and other equipment.

	Total sales volume of the Group's products and sales volume of new products developed during the Reporting Period		
Category	**Sales volume of new products (10,000 sets)**	**Total sales volume (10,000 sets)**	**Proportion**
All Steel Radial Tires	131.6	429.5	30.6%
Semi-Steel Radial Tires	310.7	1,025.8	30.3%
Bias and OTR Tires	1.1	21.3	5.2%
Total	443.4	1,476.6	30.0%

PROMOTING ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) AND SUSTAINABLE DEVELOPMENT

Corporate business sustainability is a continuing concern of the Group. The Board bears ultimate responsibility for the Group’s ESG governance. To ensure effective oversight, the Board has established a top-down ESG governance structure. During the Reporting Period, the Group renamed the Development Strategy and Risk Management Committee as the “Development Strategy and ESG Committee”, and emphasised its role in ESG strategy, environmental supervision, climate change, social supervision, governance supervision, performance monitoring and reporting through the adjustment of duties, so as to further clarify the responsibilities of the strategy committee for ESG governance, while reflecting the long-term significance of ESG governance to the Company’s strategic development.

To continuously enhance ESG governance and execution effectiveness, the Company has established an ESG Decision-Making Committee as the executive decision-making body, with the Company’s president serving as its responsible person. The ESG Decision-Making Committee primarily makes specific executive decisions on various ESG matters at the business and operational level. Concurrently, it assesses ESG risks and opportunities that have a material impact on the Group’s business, and reports regularly to the Development Strategy and ESG Committee. In addition, the ESG Decision-Making Committee is responsible for guiding and supervising the daily operations of the ESG Working Group, ensuring that all ESG initiatives are closely aligned with the Group’s overall strategy. The Company has appointed a Chief Sustainability Officer, who is responsible for leading and managing the Company’s sustainability strategy and initiatives, and is committed to integrating ESG into all aspects of the Company’s operations.

With the increasing global emphasis on sustainable development and the advancement of the national strategic goals of “carbon peak and carbon neutrality”, energy saving and carbon reduction have become important ways for the Company to fulfill its social responsibilities, reduce operating costs and enhance brand image. During the Reporting Period, Prinx Chengshan, based on the full scenarios of manufacturing and centring on the four dimensions of daily office operations, on-site production, employee commuting and staff lifestyle, organised the “Green Office • Exploring a Carbon-Free Future (綠動辦公 • 碳索未來)” 2026 Prinx Chengshan Green and Low-Carbon Campaign, systematically establishing four major scenarios: green office, green commuting, low-carbon manufacturing and healthy lifestyle, so as to implement low-carbon control measures in an all-round way. The campaign aims to integrate the low-carbon concept into every aspect of employees’ daily work through systematic publicity, practice and monitoring mechanisms, moving from “awareness” to “action”, and then to “persistence”, ultimately fostering a green and low-carbon office culture characterised by full staff participation and comprehensive management throughout the entire process.

During the Reporting Period, the Group engaged in multi-faceted community co-development initiatives in Thailand. During Children’s Day, the Tire Production Base in Thailand donated scholarships and school supplies to four primary schools in Nong Suea Chang Town (農色倉鎮), demonstrating its care for the growth of teenagers and support for local education development through concrete actions. To support the music exchange activities of the choir of the 68th class of the National Defence College of Thailand and the golf tournament organised by the Executive Club of the Ministry of Labour Protection and Welfare of Thailand (泰國勞工福利與保護部高管俱樂部), the Group donated THB50,000 and THB40,000 respectively towards the organisation of these events. During the Songkran Festival, it donated electrical appliances to the local government of Amphoe Nong Yai in Thailand. The Group participated in the villagers’ meeting of Nong Suea Chang Village No. 4 in the local community, collecting opinions and suggestions from villagers on the Company to promote communication with the local community and continuously build a sound village-enterprise relationship.

To further promote and strengthen the Group's ESG governance structure, the Board has further decided to re-define and clarify the duties of the Development Strategy and ESG Committee to comprehensively advance ESG practices at a strategic level. For details, please refer to the Corporate Governance Report.

BUSINESS STRATEGIES AND PROSPECTS

As at the date of this report, the Group's overall orders generally remained stable, while the order structure of its domestic and overseas production bases showed a diverging trend. In particular, the orders for All Steel Radial Tires from the Tire Production Base in Shandong were sufficient, while its orders for Semi-Steel Radial Tires slightly decreased. The orders for All Steel Radial Tires from the Tire Production Base in Thailand were slightly weak, while its orders for Semi-Steel Radial Tires were sufficient. The construction of the new production base in Kedah Rubber City, Malaysia, is progressing in an orderly manner. The project is planned to have an annual capacity of 6 million units of high-end Semi-Steel Radial Tires and 600,000 units of Truck and Bus Tires. Upon commencement of production, the Group's capacity matrix of "Shandong + Thailand + Malaysia" will be fully established. By virtue of geographical and tariff advantages of Southeast Asian, the Group will be able to serve the North American, EU and Latin American markets, further strengthening the resilience of its global supply chain.

Facing a development landscape characterised by both opportunities and challenges within the industry, the Group, operating within a complex domestic and international business environment, remains committed to its core strategies of "cost leadership, efficiency driven, differentiated competition and global operation", and continues to strengthen the core competitiveness for the long-term development of the Company. The Group will strategically plan its development around the following directions:

- At the product R&D level: continue to focus on the iterative development of new energy, high-end and eco-friendly products, expand the product matrix to include dedicated tires for electric vehicles, large-sized high-value-added tires and eco-friendly recyclable tires, and continue to strengthen the differentiated product competitive advantage by virtue of technical upgrades.

- At the domestic market level: deeply cultivate the customised service for large commercial vehicle fleets and the high-end replacement market for passenger vehicles, continuously optimise the channel system and digital marketing model, and steadily enhance the market share and product premium pricing power in domestic market segments.

- At the overseas business level: leverage the synergistic advantages of global multi-base production capacity to hedge against international trade barriers and logistics fluctuation risks, accelerate the overseas high-end vehicle OE certification and channel layout, and continuously enhance global market share and brand influence.

- At the intelligent manufacturing level: deepen the full-scenario application of AI and digitalisation, continuously optimise the efficiency across the entire process from smart manufacturing and R&D simulation to channel operation, and reduce production costs and improve operational efficiency through lean management and control.

- At the long-term development level: continuously improve the ESG green development system and the development of a professional talent pipeline, align with global low-carbon policies and the Company's needs for globalisation, premiumisation and electrification transformation, and support the Company's long-term, steady and high-quality development.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2026, revenue of the Group amounted to approximately RMB5,786.3 million, representing an increase of approximately RMB81.1 million (or 1.4%) compared to approximately RMB5,705.2 million for the Corresponding Period of 2025.

	For the six months ended 30 June 2026		For the six months ended 30 June 2025		
Sales by product type	**RMB'000**	**Percentage of total revenue**	RMB'000	Percentage of total revenue	Year-on-year change
All Steel Radial Tires	**3,317,486**	**57.3%**	3,156,265	55.3%	5.1%
Semi-Steel Radial Tires	**2,353,148**	**40.7%**	2,461,608	43.2%	-4.4%
Bias and OTR Tires	**113,770**	**2.0%**	86,980	1.5%	30.8%
Trade of raw materials related to tire products	**1,921**	**0.0%**	343	0.0%	460.1%
Total	**5,786,325**	**100.0%**	5,705,196	100.0%	1.4%

For the six months ended 30 June 2026, revenue from All Steel Radial Tires increased year-on-year by 5.1%. The increase was mainly attributable to a 9.0% increase in sales volume, which was partially offset by a 3.6% decrease in the average selling price due to foreign exchange translation effects and changes in the product sales mix. Revenue from Semi-steel Radial Tires decreased year-on-year by 4.4%. Despite a 2.7% year-on-year increase in sales volume, foreign exchange translation effects and changes in the product sales mix led to a 6.9% decline in the average selling price, which dragged down revenue performance. Revenue from Bias and OTR Tires increased by 30.8% year-on-year. Despite a 4.3% year-on-year decline in sales volume, the gradual capacity release of the Company's OTR project optimised the product sales mix, lifting average selling prices by 36.7% and driving substantial revenue growth for the segment.

Sales by channel	For the six months ended 30 June 2026 RMB'000	Percentage of revenue	For the six months ended 30 June 2025 RMB'000	Percentage of revenue	Year-on-year change
Distributors					
Domestic	**1,201,774**	**20.8%**	1,017,319	17.8%	18.1%
International	**3,586,911**	**62.0%**	3,895,801	68.3%	-7.9%
	4,788,685	**82.8%**	4,913,120	86.1%	-2.5%
Direct sales to automobile manufacturers	**995,719**	**17.2%**	791,733	13.9%	25.8%
Sales of raw materials and others	**1,921**	**0.0%**	343	0.0%	460.1%
Total	**5,786,325**	**100.0%**	5,705,196	100.0%	1.4%

For the six months ended 30 June 2026, revenue from sales to distributors (including OEM customers) decreased by 2.5% year-on-year. Among these, revenue from international distributor channels decreased by 7.9% year-on-year, primarily due to the Group's reduction of its OEM business for All Steel Radial Tires and promotion of its own brands, which resulted in short-term pressure on sales volume in the All Steel Radial Tires channel. The selling prices under the relevant US-dollar-denominated orders remained stable. However, the continued weakening of the US dollar against the RMB further dragged down revenue when translated for RMB reporting purposes. Meanwhile, the sales volume of Semi-Steel Radial Tires experienced a slight decline, and the average selling price decreased year-on-year due to foreign exchange translation effects, US tariffs and changes in product sales mix. Revenue from domestic distributor channels significantly increased by 18.1% year-on-year, mainly benefiting from the Group's core competitive advantages in products, channels and brands, with significant growth in sales volume across all product lines. Specifically, sales volume of commercial vehicle tires, passenger vehicle tires and Bias and OTR Tires through domestic distributor channels increased by 23.6%, 9.5% and 74.3% year-on-year, respectively. The strong performance of the domestic distribution business partially offset the revenue decline resulting from adjustments to the international channel business.

For the six months ended 30 June 2026, revenue from sales to automobile manufacturers increased by 25.8% year-on-year, maintaining an overall robust growth trend. The sales volume of all product lines in the OE channel achieved substantial growth, with the sales volume of commercial vehicle tires, passenger vehicle tires and Bias and OTR Tires increasing by 24.5%, 44.8% and 26.2% year-on-year, respectively, becoming the core drivers of revenue growth for the OE business. Despite the year-on-year decline in the average selling prices of commercial vehicle tires and Bias and OTR Tires, the average selling price of passenger vehicle tires increased by 10.4% year-on-year, driven by the upgrade and optimization of the product structure, further boosting revenue growth in the OE segment.

For the six months ended 30 June 2026, revenue from sales of raw materials and others increased to RMB1.92 million (for the Corresponding Period of 2025: RMB0.34 million), mainly driven by higher customer demand.

Cost of Sales

The Group's cost of sales increased from approximately RMB4,757.7 million for the Corresponding Period of 2025 to approximately RMB4,811.3 million for the six months ended 30 June 2026, representing an increase of approximately RMB53.6 million (or 1.1%). The increase was mainly due to a 4.4% year-on-year increase in overall sales volume, which led to a corresponding rise in production costs, although the year-on-year increase in raw material and labour costs was partially offset by a decrease in sea freight charges.

Gross Profit and Gross Profit Margin

The Group's gross profit increased from approximately RMB947.5 million for the Corresponding Period of 2025 to approximately RMB975.0 million for the six months ended 30 June 2026, representing a year-on-year increase of 2.9%. The change was attributable to the combined effect of multiple factors: sales growth made a positive contribution, but raw material and labour costs increased, which was partially offset by a decrease in sea freight costs. The gross profit margin increased from 16.6% for the Corresponding Period of 2025 to 16.9%, representing an increase of 0.3 percentage points compared to the same period last year.

Other Income

The Group's other income increased from approximately RMB28.0 million for the Corresponding Period of 2025 to approximately RMB39.9 million for the six months ended 30 June 2026, representing a year-on-year increase of RMB11.9 million, which was mainly attributable to domestic subsidiaries enjoying the additional deduction benefit for input value-added tax (VAT) in the advanced manufacturing industry.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased from approximately RMB265.7 million for the Corresponding Period of 2025 to approximately RMB281.3 million, representing an increase of 5.9% from the same period last year, primarily due to the increase in labour costs, transportation expenses and marketing expenses.

Research and Development Costs

The Group's R&D costs increased from approximately RMB111.7 million for the Corresponding Period of 2025 to approximately RMB128.3 million, representing an increase of approximately 14.9% year-on-year, which was mainly due to the Company's increased investment in R&D, resulting in higher labour expenses.

Administrative Expenses

The Group's administrative expenses amounted to approximately RMB116.1 million and RMB122.7 million for the six months ended 30 June 2026 and 2025, respectively, representing a decrease of approximately 5.4% year-on-year. The decrease was attributable to the Group's internal implementation of cost reduction and efficiency enhancement.

Other (Losses)/Gains

For the six months ended 30 June 2026, the Group's other losses amounted to RMB22.1 million compared to other gains of RMB32.5 million for the Corresponding Period of 2025, with other gains decreasing by approximately RMB54.6 million year-on-year. This significant change was primarily due to exchange losses resulting from the continuous weakening of the exchange rate of USD against RMB during the Reporting Period.

Finance Income

For the six months ended 30 June 2026 and 2025, the Group's finance income amounted to approximately RMB9.1 million and RMB6.5 million, respectively. The increase in finance income was due to an increase in interest income from bank deposits.

Finance Costs

For the six months ended 30 June 2026 and 2025, the Group's finance costs amounted to approximately RMB13.0 million and RMB11.3 million, respectively. This was mainly attributable to higher interest expenses on bank borrowings.

Operating Profit

For the six months ended 30 June 2026 and 2025, the Group's operating profit amounted to approximately RMB461.3 million and RMB507.1 million, respectively, representing a year-on-year decrease of 9.0%. The decrease was primarily due to the continuous weakening of the USD against the RMB exchange rate, which led to a corresponding increase in exchange losses, thereby lowering the operating profit level.

Income Tax Expense

For the six months ended 30 June 2026, the Group' s income tax expenses amounted to RMB43.7 million compared to income tax revenue of RMB5.2 million for the Corresponding Period of 2025, representing a year-on-year increase in income tax expense of approximately RMB48.9 million. This change was primarily attributable to recognition of Pillar Two income tax expenses during the Reporting Period by Prinx Chengshan Tire (Thailand) Co., Ltd. ("**Prinx Thailand**"), whereas no such expenses were recognized for the Corresponding Period of 2025.

Profit for the Period

Profit for the Reporting Period decreased by RMB93.9 million (or 18.5%) from approximately RMB507.6 million for the six months ended 30 June 2025 to approximately RMB413.7 million. The decrease in profit for the period was primarily due to the combined effect of the decline in operating profit and the increase in income tax expense.

Profit Attributable to Shareholders of the Company

Due to the above factors, for the six months ended 30 June 2026 and 2025, the profit attributable to shareholders of the Company amounted to approximately RMB413.7 million and RMB507.6 million, respectively.

Total Comprehensive Income for the Period

Total comprehensive income for the Reporting Period decreased from approximately RMB498.0 million for the six months ended 30 June 2025 to approximately RMB250.3 million, representing a decrease of 49.7% from the same period last year. This change was primarily due to the combined effect of a decline in profit and differences on foreign currency statement translation.

Liquidity and Financial Resources

Generally, the cash flows generated within the Group and bank loans are the source of its working capital. The Group maintained a sound financial position. The Group's borrowing demand was not seasonal. As at 30 June 2026, the Group had approximately RMB781.1 million in cash and cash equivalents (including restricted cash), representing a decrease of approximately RMB318.7 million as compared to that as at 31 December 2025 (approximately RMB1,099.8 million), which was mainly due to the continuous project construction investment in the Malaysia factory. Among them, approximately RMB252.7 million was denominated in RMB, approximately RMB468.7 million was denominated in USD, and the rest were denominated in HKD, EUR, THB and Malaysian Ringgit (MYR). As at 30 June 2026, the Group had bank borrowings of approximately RMB642.5 million (31 December 2025: approximately RMB682.9 million), of which 615.0 million was denominated in RMB and the remaining was denominated in MYR. Borrowings at floating interest rates accounted for 83.5%, and borrowings at fixed interest rates accounted for 16.5%. Approximately RMB234.2 million will be due within one year and approximately RMB408.3 million will be due within one to five years. During the Reporting Period, the borrowings were mainly used to meet daily operational needs. For details of the Group's bank loans, please refer to Note 22 to the consolidated financial statements.

The current ratio as at 30 June 2026 was approximately 1.5 (31 December 2025: approximately 1.7). During the Reporting Period, the Company purchased banks' time deposits to increase financial returns. As at the end of the Reporting Period, the net balance of such wealth management products was approximately RMB139.0 million (31 December 2025: approximately RMB150.0 million).

Inventories

As at 30 June 2026, the inventories of the Group amounted to approximately RMB1,808.4 million, representing an increase of approximately RMB133.5 million from approximately RMB1,674.9 million as at 31 December 2025. The increase in inventory was primarily due to the Group's proactive inventory build-up in response to changes in the external international environment.

Trade and Notes Receivables

As at 30 June 2026, accounts receivables of the Group were approximately RMB2,632.1 million, representing an increase of approximately RMB190.5 million from approximately RMB2,441.6 million as at 31 December 2025. The increase was attributable to the increased sales share to automobile manufacturers through direct sales channels, which have a longer accounts receivable collection period.

Prepayments, Other Receivables and Other Assets included in Current Assets

As at 30 June 2026, prepayments, other receivables and other assets included in current assets of the Group were approximately RMB394.1 million, representing a decrease of approximately RMB9.7 million as compared to RMB403.8 million as at 31 December 2025. The decrease was mainly due to the increase in VAT refunds from Prinx Thailand.

Financial Assets at Fair Value through Profit or Loss

As at 30 June 2026, the Group's financial assets at fair value through profit or loss were approximately RMB145.3 million, representing a decrease of approximately RMB8.1 million from approximately RMB153.4 million as at 31 December 2025. The decrease was primarily attributable to the redemption of matured wealth management products.

Amounts Due from Related Parties

The Group's amounts due from related parties decreased from approximately RMB553.4 million as at 31 December 2025 to approximately RMB537.0 million as at 30 June 2026, representing a decrease of approximately RMB16.4 million. Such movement represents normal operational fluctuations.

Prepayments, Other Receivables and Other Assets included in Non-Current Assets

As at 30 June 2026 and 31 December 2025, the Group's prepayments, other receivables and other assets included in non-current assets amounted to approximately RMB511.9 million and RMB113.2 million, respectively, representing an increase of approximately RMB398.7 million. The increase was primarily attributable to the ongoing construction of the Malaysia production base project, and the corresponding increase in prepayments for equipment purchases.

Trade Payables

As at 30 June 2026 and 31 December 2025, the Group's trade payables amounted to approximately RMB2,043.7 million and RMB2,012.6 million, respectively, representing an increase of approximately RMB31.1 million, which primarily due to the rise in raw material prices at the end of the period.

Other Payables and Accruals

As at 30 June 2026 and 31 December 2025, the Group's other payables and accruals amounted to approximately RMB1,196.7 million and RMB1,202.2 million, respectively, representing a decrease of approximately RMB5.5 million. The decrease in the balance was primarily due to the reduction in various accrued expenses at the end of the period.

Gearing Ratio

As at 30 June 2026, the gearing ratio was -1.4% (31 December 2025: -5.7%). This ratio was calculated as net surplus/debt divided by total capital. Net surplus/debt was calculated as total borrowings less cash and cash equivalents and restricted cash. Total capital was calculated as total equity plus net surplus/debt.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus has maintained a healthy liquidity position throughout the six months ended 30 June 2026. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group will take serious consideration of purchasing wealth management products to increase financial returns.

Pledge of Assets

As at 30 June 2026, the Group's property, plant and equipment with a net book value of approximately RMB92.9 million (31 December 2025: approximately RMB98.3 million) were pledged as security for the Group's bank borrowings; restricted cash balances of approximately RMB52.3 million (31 December 2025: approximately RMB59.3 million), notes receivable balances of approximately RMB89.4 million (31 December 2025: approximately RMB82.9 million) and time deposits of RMB30.0 million (31 December 2025: Nil) were pledged as security for notes payable issued by the Group. Save for the above, the Group did not have any charges on its assets.

Investment

According to the Group's global capacity layout strategy, the Group has commenced construction its second-largest overseas production base in Kedah Rubber City within the Northern Corridor Economic Region (NCER) of Malaysia since the third quarter of 2025. The project is planned to have an annual production capacity of 6 million sets of Semi-Steel Radial Tires and 600,000 sets of All Steel Radial Tires, with a total investment amount of US$299 million, which will be funded by the Group's internal resources and external financing.

As of 30 June 2026, the overall construction of the Tire Production Base project in Malaysia is progressing in an orderly manner as planned, with cumulative project investment amount of approximately US$102 million, representing 34% of the total investment amount. The main project has fully entered the structural construction phase, with the main structure completion rate of the tire workshop and utility workshop exceeding 80%, and some core building units have entered the mechanical and electrical installation process; foundation construction for the main workshops and supporting facilities has fully commenced, and other building units are also progressing as planned. The equipment procurement and delivery schedule is well matched with the pace of engineering construction, laying a solid foundation for subsequent equipment installation, commissioning, and full production. The project is expected to commence trial production in the fourth quarter of 2026, with production capacity gradually released from 2027 to 2028, and an estimated annual output value of approximately US$270 million upon reaching full capacity.

At the same time, according to the business layout of "Emerging Markets + Premium Segments", the Group has commenced construction of the Shandong OTR project within the Green Tire Intelligent Manufacturing Industrial Park in Rongcheng, Shandong Province since the second quarter of 2025. The project is situated on the north side of the existing Tire Production Base in Shandong, covering an area of 104 thousand square meters, with a planned production capacity of 84 thousand high-performance engineering radial tires per year and 10 thousand giant engineering radial tires per year. The total investment for the OTR project is expected to be RMB1.11 billion, with some production lines already in operation; the first off-the-road giant tire (30.00R51) was successfully rolled off the production line on 19 January 2026, and trial production of three specifications of 49/51-inch tires has been completed, with all corresponding orders delivered. As at the date of this report, installation work for the second batch of building and curing equipment is underway, and the first 57-inch giant tire is expected to roll off the production line in the third quarter of 2026. The OTR project is expected to reach a designed production capacity of 50 thousand tons per year by 2029, with an estimated annual output value of approximately RMB1 billion after reaching full capacity.

Save as disclosed above, the Group did not have any other new significant investments for the six months ended 30 June 2026.

RISKS AND UNCERTAINTIES

(I) Macro environment risks

During the Reporting Period, China's tire industry was subjected to multiple macroeconomic pressures, resulting in intensified operational challenges in the industry. Weak consumer spending sentiment and persistent delays in vehicle owners' tire replacement demand constrained the release of demand in the passenger vehicle tire replacement market. At the same time, the slow pace of recovery in real estate and infrastructure investment led to a decline in the operating activity of heavy-duty trucks and engineering vehicles, which directly weighed on the scale of essential demand market for All Steel Radial Tires. In addition, geopolitical conflicts caused oil prices to fluctuate at elevated levels, and imported inflation further pushed up raw material costs, significantly increasing distribution and operational pressures at the retail end.

Uncertainties in global overseas markets have continued to mount, exposing the tire export business to multiple external risks. The complex and volatile geopolitical landscape, coupled with ongoing instability in the Middle East and the lack of stability in shipping through the Red Sea and the Strait of Hormuz, has led to frequent port congestion in international shipping, significant fluctuations in freight rates and the normalisation of delivery delays, thereby significantly increasing the difficulty for the Company to fulfil overseas orders. At the same time, many countries have tightened their foreign exchange control policies, lengthening the payment cycles for overseas customers and further increasing pressure on the Company's working capital and exposure to foreign exchange losses.

In view of this, the Group will adopt the following countermeasures: (1) strengthen our diversified market and supply chain strategies to reduce reliance on any single region or supplier; (2) increase the proportion of local-language-speaking personnel in the management teams of our overseas subsidiaries, whilst establishing long-term communication mechanisms with local governments and chambers of commerce to anticipate policy changes in advance; (3) strengthen cost control and improve operational efficiency; (4) optimise product structure and increase the proportion of high-value-added products; and (5) closely monitor changes in the international situation and adjust market strategies and product structures in a timely manner.

(II) Exposure to foreign exchange risks

Given the fluctuations in the global economy and the tightening and easing of monetary policies by different countries, the Group may be exposed to the risk of exchange rate fluctuations arising therefrom. For the six months ended 30 June 2026, the Group's revenue denominated in USD and in EURO from overseas operations accounted for approximately 62.0% of the total revenue, and the operating expenses of Prinx Thailand and Prinx Malaysia were mainly settled in THB and MYR, respectively. Therefore, the Group is exposed to foreign exchange risk arising from USD, EURO, THB and MYR. The occurrence of significant fluctuations in exchange rates will affect the results of the Group. Exchange rate fluctuations and market trends have always been a concern of the Group. In this regard, the Company will strengthen the supervision on foreign currency transactions as well as the scale of foreign currency assets and liabilities, and may manage the potential fluctuations in exchange rates by optimising the settlement currency of export trades and utilising exchange rate financial instruments and other proactive preventive measures.

(III) Impacts caused by tariff and anti-dumping and countervailing duties imposed by international markets on products imported from the PRC and Thailand

In recent years, countries and regions such as the United States, Europe, and Peru have restricted tire exports from other countries through the imposition of tariffs and anti-dumping and countervailing duties. In response to such trade barriers, the Group has proactively participated in related defence proceedings and investigations to seek lower export tax rates and minimise the impact on its operations.

The United States has imposed high anti-dumping and countervailing duties (AD/CVD) on passenger vehicle and light truck tires originating from China since 2015. On 4 May 2026, the U.S. Department of Commerce issued the final determination of the second expedited sunset review of anti-dumping and countervailing duties, and the relevant high AD/CVD duties will remain in place for a further five years. The United States has imposed high anti-dumping and countervailing duties on Truck and Bus Tires originating from China since 2019, and maintained the current duty rates in the final determination of the first expedited anti-dumping sunset review on 25 April 2024.

On 19 July 2021, the U.S. Department of Commerce issued an anti-dumping duty order on passenger vehicle and light truck tires originating from Thailand, and Prinx Thailand was subject to an average anti-dumping duty rate of 17.06%. The United States continuously conducted administrative reviews of anti-dumping against passenger vehicle and light truck tires from Thailand: the duty rate was reduced to 4.52% after the first administrative review in 2023; in September 2023, the United States initiated the second administrative review, and the Company actively responded and participated in the defence as a supplementary mandatory respondent, with the final determination issued in May 2025, subjecting it to a separate duty rate of 5.08%; in July 2026, the final determination of the latest third administrative review (covering the investigation period from July 2023 to June 2024) was released, with the duty rate applicable to the Group further reduced to 2.90%. The effectiveness of our overseas localisation strategy continues to be demonstrated, effectively hedging against the risks posed by U.S. trade barriers.

In addition, on 7 November 2023, the U.S. Department of Commerce announced the initiation of an anti-dumping investigation against Truck and Bus Tires imported from Thailand, and issued the determination duty rate of 12.33% on 10 October 2024. On 20 February 2026, the U.S. Department of Commerce announced the initiation of the first administrative review concerning Truck and Bus Tires imported from Thailand. Prinx Thailand was selected as a mandatory respondent, and this response will play a positive role in reducing the duty rate originally imposed on Prinx Thailand.

In Europe, on 21 May 2025, the European Union announced the initiation of an anti-dumping investigation against tires for passenger vehicles and light trucks (HS codes 40111010 and 40112010) originating from China, followed by a countervailing duty investigation on 6 November 2025. The Group responded proactively and submitted the relevant responses on time. On 26 May 2026, the European Commission published the final pre-disclosure documents for the anti-dumping investigation, and Prinx Shandong is subject to an average duty rate of 24.4%. The countervailing duty investigation is ongoing and is expected to reach a final determination in December 2026. The anti-dumping investigation by the EU government has intensified the industrial transformation of global tire industry. The Group will leverage this opportunity to accelerate the optimisation of industrial structure and product upgrades, strengthen the strategic layout of its overseas bases in Thailand and Malaysia, and comprehensively enhance the Company's core competitiveness and risk resistance in the international market through technological innovation and the improvement of supply chain resilience.

On 24 March 2026, the National Institute for the Defence of Competition and Intellectual Property of Peru, in response to an application submitted by domestic producer Compañía Goodyear del Perú S.A., initiated an investigation procedure against alleged dumping in the imports of automobile tires and radial tires originating from the People's Republic of China, with an investigation period from September 2024 to August 2025. The Shandong company responded actively and submitted its response on time, and the case is currently under further review.

The uncertainty of anti-dumping and countervailing duty rates will pose potential risks to the Company's operating results. To effectively mitigate such impacts, the Company has made arrangements in advance and taken proactive actions by adopting the following measures: firstly, to expand diversified markets to reduce reliance on a single market; secondly, to leverage the Group's R&D capabilities and focus on developing specialised products, so as to enhance the market competitiveness through product structure optimisation and enrichment; and thirdly, to steadily advance the construction of the Tire Production Base in Malaysia to further refine the global capacity layout, enhance the resilience and flexibility of the supply chain, and continuously improve the Group's risk resistance and long-term core competitiveness in the global market.

(IV) Competition

The Group's products are sold to over 160 countries and regions across six continents, while facing competition from both leading international tire enterprises and domestic peers, with industry competition pressure continuing to intensify. Leading international tire manufacturers, leveraging their established brand strength, high-end OEM resources, and localised operational advantages, maintain a firm position in overseas high-end markets. Meanwhile, domestic peers continue to accelerate the expansion of their overseas production capacity, with new production capacity in Southeast Asia, Eastern Europe, and Malaysia scheduled for concentrated release in 2026, leading to continued expansion of global tire supply. Coupled with abundant existing domestic production capacity and severe homogenisation in the general-purpose tire segment, price competition and volume-for-price trade-offs have become prevalent in both domestic and international markets, placing pressure on industry profitability.

The Group has established core competitive barriers through its global production capacity layout across Shandong, Thailand and Malaysia, underpinned by consistent product quality, refined operations, an intelligent manufacturing system and a comprehensive domestic and overseas distribution channel network. The failure of the Group to continuously strengthen the aforementioned competitive advantages may result in a risk of a decline in market share. To address the uncertainties arising from intensified industry competition, the Group will continue to coordinate synergies across its global multi-site production capacity, optimise its differentiated product matrix for high-end and new energy vehicles, increase investment in R&D and smart manufacturing, and upgrade its full-lifecycle customer service capabilities, thereby offsetting market competitive pressure through its strengths in quality, technology, and global operations.

(V) Risks in relation to overseas investments

During the Reporting Period, the Tire Production Base in Thailand and the Tire Production Base in Malaysia exposed to risks to the Company's operations and investments, as they were affected by local economic, political, government policies and changes in laws, which may change the investment environment in the host countries, affect the construction period of the project investment, and increase compliance requirements in labour, environmental protection and other areas.

The Group will continue to strengthen its internal management by establishing a dynamic monitoring mechanism, which allows for the real-time analysis of changes in the international economic, political, and social environment, enabling timely risk identification, assessment, reporting, and response. The Group also engages local professional institutions to provide compliance reviews and risk warnings.

International tax Pillar Two (Global Anti-Base Erosion Rules) has been officially implemented in Thailand, Malaysia, and Europe, imposing a uniform effective tax rate of 15% on multinational groups with annual global revenues of EUR750 million or more. If the effective tax rate of the Company's subsidiaries falls below 15% due to local tax incentives, they will face the risk of top-up tax collection, which may increase overseas tax liabilities and compliance costs, thereby having an impact on overseas profits and cash flows to a certain extent. To this end, Prinx Thailand has made provision for income tax expenses in 2025 and the Reporting Period in accordance with the relevant requirements of Pillar Two, and will strengthen tax compliance and planning to actively address changes in rules and mitigate related risks.

(VI) Supply chain

The prices of raw materials such as rubber and steel cord required for tire production are significantly affected by fluctuations in the international market. Any issues in the supply chain, such as fluctuations in raw material prices or logistics delays, may impact production and sales operations, destabilising tire supply and bringing profit volatility to the Company. In view of the increasingly stringent environmental requirements imposed by various countries on the tire industry, which may increase enterprises' capital expenditure and operating costs. These risks demand that the Group enhance flexibility and efficiency in supply chain management to mitigate uncertainties. The Company has responded to various uncertainties by deploying product upgrades and replacements, renewal and retrofitting environmental protection equipment, and enhancing supply chain resilience.

(VII) Risks in relation to climate change

Climate threats are continuously intensifying worldwide, and extreme climate change may pose physical risks to the Group. For example, the occurrence of extreme weather events such as blizzards, heavy rain, typhoons, and thunderstorms could lead to energy supply disruptions and traffic obstructions, which in turn may cause production halts, increase operating costs, and affect the timely delivery of orders. Under conditions of extreme high or low temperatures, increased energy consumption is required to maintain the constant production temperature (cooling or heating) necessary for the normal operation of workshops and equipment, thereby driving up operating costs. Climate factors interfere with the stability of raw material supply, leading to price fluctuations. The exacerbation of meteorological conditions by climate change (such as rising temperatures, increased stable weather, and sandstorms) may lead to more frequent or exacerbated severe pollution, which could cause the limitation or interruption of normal production activities, affecting production efficiency and order.

In terms of transition risk, the accelerated restructuring of global green trade rules poses systemic challenges. The European Union's Carbon Border Adjustment Mechanism (CBAM), which was formally implemented from 2026, does not currently cover downstream products such as tires. However, the EU intends to expand its scope to include certain downstream manufactured goods. Although tires are not on the direct list, the potential inclusion of upstream raw materials may indirectly increase cost pressure through the supply chain. Meanwhile, the new tire energy consumption standards that took effect in China in May 2025 have further raised the energy efficiency threshold for production processes. Dual compliance pressure may push up the cost of exported products. At the same time, the shift in consumers' preference for low-carbon products and green supply chain certification requirements for automotive manufacturers may cause traditional tire products to face the risk of market share contraction. In addition, export restriction policies launched by some Southeast Asian countries to cope with the energy crisis may exacerbate the difficulties in acquiring key raw materials such as natural rubber.

In view of this, the Group has incorporated climate risk management into the Group's risk management system. The Group continuously evaluates the physical risks and transition risks brought about by climate changes and formulates relevant risk prevention plans. The Group has formulated the "Extreme Weather Disaster Emergency Plan" (《極端天氣災害應急預案》), which clarifies emergency response procedures for extreme weather. It also appropriately stockpiles raw materials and implements a safety inventory plan. When shipments are affected by extreme weather, goods can be transferred from other storage locations based on inventory availability to meet delivery needs. The Group conducts energy-saving renovations for equipment and monitors energy consumption. In production workshops, it has equipped first-aid kits and automated external defibrillators, and conducts occupational health training to reduce the risk of heatstroke and sudden illness among employees. The Group also implements multi-skilled and multi-functional training for operational positions, enabling timely staff replacement during shortages. In response to sudden abnormal weather changes, the Group has formulated corresponding workflows and safety measures to enhance its ability to deal with climate risks and ensure the stable operation of its business.

In response to the aforementioned climate-related risks, the Group has incorporated climate resilience building into the core framework of its five-year strategy, actively addressing such risks through a dual approach of "technology-driven carbon reduction and supply chain optimisation". Firstly, the Group is advancing the upgrading of its Tire Production Base in Shandong to a green intelligent factory by adopting a photovoltaic direct supply system to reduce reliance on the traditional power grid. It is also piloting waste heat recovery technology for tire production to improve energy efficiency. Secondly, the Group is building a "regionalised and diversified" raw material procurement network and establishing a rubber reserve centre in Southeast Asia to buffer against supply fluctuations caused by geopolitical and climate factors. Thirdly, the Group is deepening its cooperation with international carbon accounting institutions and proactively developing a product carbon footprint certification system to ensure compliance with the requirements of key markets such as the European Union. At the emergency management level, the Group has established a full-chain mechanism covering "monitoring — early warning — response". It has also formulated tiered response plans for complex climate disasters and strengthened collaborative response capabilities through cross-base emergency drills to ensure business continuity.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Company strictly complied with the following laws and regulations which may have a significant impact on its production and operation: (a) the laws and regulations relating to compulsory product certification for tire products; (b) the laws, regulations and policies relating to the access to and supervision of the tire industry; (c) the laws and regulations relating to environmental protection and safety responsibility; (d) the laws and regulations relating to foreign investment; (e) the laws and regulations relating to foreign exchange control and taxation; (f) the laws and regulations relating to labour and employment; (g) the laws and regulations governing the organisation and behaviour of the Company; (h) the laws and regulations relating to securities trading and regulation; (i) the laws and regulations relating to intellectual property; (j) the laws and regulations relating to data processing and data security; (k) other relevant laws, regulations, policies and regulatory requirements, etc. Meanwhile, the Company has established a list of applicable laws and regulations which is updated from time to time for compliance. In addition, the Company made enquiries from time to time regarding legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory authorities in the jurisdictions in which it conducts business and investment activities, such as the import tariffs and quota regulations, anti-dumping and sanctions regulations in the United States and the European Union trade regulations. Based on the full cooperation between the legal department of the Company and external legal advisors, and through the continuous and effective supervision of the Company, the Company is able to comply with the relevant laws and regulations within and outside the PRC that have a significant impact on the Company.

Capital Structure

For the six months ended 30 June 2026, there was no change in the capital structure of the Company. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitment and Contingent Liabilities

As at 30 June 2026, the Group had capital commitment of approximately RMB1,626.3 million (31 December 2025: approximately RMB745.3 million). For the six months ended 30 June 2026, the Group had no contingent liability that would result in a significant impact (31 December 2025: nil).

Significant Investments, Material Acquisitions and Disposals of Subsidiaries, Associated Companies, and Joint Ventures

Save as disclosed in the section headed "Investments", the Group did not have any other significant investments, material acquisitions and disposals of subsidiaries, associated companies and joint ventures during the Reporting Period.

Future Plans for Substantial Investments or Capital Assets

Save as disclosed in the section headed "Investments", during the Reporting Period, there was no plan authorised by the Board for other substantial investment or additions of capital assets.

Human resources management

As at 30 June 2026, the Group had a total of 7,056 employees (as at 31 December 2025: 6,834). The employee benefit expenses (including social insurance and allowance) of the Group were approximately RMB491.9 million for the six months ended 30 June 2026 (for the six months ended 30 June 2025: approximately RMB453.3 million).

The Group has thoroughly implemented a performance management system for all employees, forming a value distribution mechanism that is linked to its rank evaluation system. Based on rank certification, scientific evaluations are made of employee' s professional capabilities and position suitability, which are effectively reflected in their basic salary structure. The performance results serves as the core basis for focusing on the actual value created by employees for the organisation, and it is reasonably applied in annual appraisals and year-end bonuses.

The Company adopted a share option scheme (the "**2019 Share Option Scheme**") on 5 July 2019 (the "**2019 Adoption Date**"), and conditionally granted 14,400,000 options and 835,500 options (the "**Options**" and each an "**Option**") to certain eligible participants (the "**Grantees**" and each a "**Grantee**") of the Group on 9 July 2019 (the "**2019 Grant Date**") and 9 July 2020 (the "**2020 Grant Date**").

The Company adopted its new share option scheme (the "**2021 Share Option Scheme**") on 17 May 2021 (the "**2021 Adoption Date**"), and terminated the 2019 Share Option Scheme. The Company conditionally granted 35,050,000 Options, 3,080,000 Options and 960,000 Options to certain Grantees on 28 June 2021 (the "**2021 Grant Date**"), 28 September 2022 (the "**2022 Grant Date**") and 28 September 2023 (the "**2023 Grant Date**"). All options granted and accepted and remained unexpired prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the 2019 Share Option Scheme. For more details, please refer to the circular issued by the Company on 16 April 2021, the announcements issued on 17 May 2021, 28 June 2021, 28 September 2022 and 28 September 2023, respectively. For the six months ended 30 June 2026, details of movements in the options are set out in the sections headed "Share Option Schemes" in this report.

The Company adopted its share award scheme (the "**2024 Share Award Scheme**") on 31 May 2024. Details and changes for the period ended 30 June 2026 are set out in the section headed "2024 Share Award Scheme" in this report.

Share Option Schemes

Share option schemes aim to attract, retain and provide incentives to senior and mid-level management and key employees of the Company, to provide them with the opportunity to obtain shares of the Company and to link their interests closely to the operating results and share performance of the Company with a view to increase the value of the Company and to attract human resources that are valuable to the Group.

2021 Share Option Scheme

The Company adopted the 2021 Share Option Scheme on the 2021 Adoption Date. The 2021 Share Option Scheme is effective within a period of eight years commencing from the 2021 Adoption Date. As at the date of this report, the remaining life of the 2021 Share Option Scheme is approximately two years and nine months.

The purpose of the 2021 Share Option Scheme is to replace the 2019 Share Option Scheme and to enable the Board to grant Options to selected Eligible Participants (as defined below) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high caliber eligible participants and attract human resources that are valuable to the Group. Proposed employees are included as Eligible Participants to enable the Company to offer a competitive remuneration package to recruit high caliber candidates.

Eligible Participants mean: any employee or proposed employee (whether full time or part time) of any member of the Group or any invested entity, excluding any independent non-executive directors of the Company and provided that the proposed employee is actually employed by the Group and is subject to pass the stipulated probation period.

As at the date of this report, the number of Shares available for issue under the 2021 Share Option Scheme is 10,910,000 Shares, representing approximately 1.71% (as at the date of the 2025 Annual Report: 1.71%) of the total number of Shares in issue as at the date of this report.

The total number of Shares which may be issued upon exercise of all options to be granted under the 2021 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek approval of the Shareholders in general meeting to refresh the 10% limit under the 2021 Share Option Scheme provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2021 Share Option Scheme and any other share option schemes of the Company under the limit as refreshed must not exceed 30% of the total number of Shares in issue from time to time.

No Grantee shall be granted an Option if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options granted to such Grantee (including both exercised and outstanding Options) in any 12-month period exceeding 1% of the total number of Shares in issue. Where any further grant of Options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all Options granted and to be granted to such Grantee (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant exceeding 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his/her associates abstaining from voting.

The Grantee may subscribe for Shares during such period as may be determined by the Board (which shall not be more than eight years from the date of grant of the relevant Option and include the minimum period, for which an Option must be held before it can be exercised). Subject to the terms of the 2021 Share Option Scheme, Options can be vested at any time after the expiry of a period which may be determined by the Board from the date of grant of the relevant Option. The exercise price shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the exercise price shall not be lower than the highest of (a) the closing price of the Shares as stated in the Stock Exchange of Hong Kong Limited's ("**Stock Exchange**") daily quotation sheet on the date of grant (which must be a business day); (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

The share options granted under the 2021 Share Option Scheme have all lapsed during the 2025 financial year. During the Reporting Period, no share options under the 2021 Share Option Scheme were lapsed, exercised or cancelled. No share options were outstanding as at the end of the Reporting Period.

At the beginning of the Reporting Period, the number of options that can be granted under the 2021 Share Option Scheme was 10,910,000. At the end of the Reporting Period, the number of share options that can be granted under the 2021 Share Option Scheme was 10,910,000.

Options granted in 2021

On the 2021 Grant Date, the Company conditionally granted 35,050,000 Options to certain Grantees, subject to acceptance of the Grantees, to subscribe for a total of 35,050,000 ordinary shares (the "**Shares**") of USD0.00005 each in the share capital of the Company. The exercise price of the Shares on the 2021 Grant Date was HK$8.568 per Share, which is the highest among (i) the closing price of HK$8.510 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Grant Date; (ii) the average closing price of HK$8.568 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date; and (iii) the nominal value of each Share. The closing price for the business day immediately preceding the 2021 Grant Date was HK$8.500 per Share.

Among the Options granted, 5,500,000 Options were granted to the Directors, chief executives or substantial Shareholders of the Company or an associate (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of any of them and 29,550,000 Options were granted to other senior management (as defined in Chapter 17 of the Listing Rules) and employees of the Group.

Options granted in 2022

On the 2022 Grant Date, the Company conditionally granted 3,080,000 Options to certain Grantees to subscribe for a total of 3,080,000 ordinary shares of the Company, subject to acceptance of the Grantees. The exercise price of the Shares on the 2022 Grant Date was HK$8.568 per Share, which is the highest among (i) the closing price of HK$6.410 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Grant Date; (ii) the average closing price of HK$6.298 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Grant Date; (iii) the nominal value of each Share; and (iv) the exercise price on the 2021 Grant Date. The closing price for the business day immediately preceding the 2022 Grant Date was HK$6.400 per Share.

The Grantees of the Options granted in 2022 are the employees of the Group, and none of them are Directors, chief executives or substantial Shareholder of the Company, or their associates (as defined in the Listing Rules) of any of them.

Options granted in 2023

On the 2023 Grant Date, the Company conditionally granted 960,000 share options to certain Grantees, subject to acceptance of the Grantees, to subscribe for a total of 960,000 shares of the Company. The exercise price of the Shares on the 2023 Grant Date is HK$8.568 per Share, which represents the highest among (i) the closing price of HK$6.54 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the grant date; (ii) the average closing price of HK$6.48 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the grant date; (iii) the nominal value of each Share; and (iv) the exercise price on the 2021 Grant Date (i.e. HK$8.568 per Share). The closing price for the business day immediately preceding the 2023 Grant Date was HK$6.54 per Share.

The Grantees of the Options granted in 2023 are the employees of the Group, including one senior management (as defined in the Listing Rules), and none of them are Directors, chief executives or substantial Shareholder of the Company, or their associates (as defined in the Listing Rules) of any of them.

Details of the 2021 Share Option Scheme and the granted Options are set out in the circular issued by the Company on 15 April 2021, the announcements issued on 28 June 2021, 28 September 2022 and 28 September 2023, respectively.

2019 Share Option Scheme

The Company had adopted the Share Option Scheme on the 2019 Adoption Date, and terminated the 2019 Share Option Scheme on 2021 Adoption Date. Details of the termination of the 2019 Share Option Scheme are set out in the circular issued by the Company on 15 April 2021.

According to the terms of the 2019 Share Option Scheme, the Company may by resolution in general meeting at any time terminate the 2019 Share Option Scheme, and in such event, no further offer to grant an option nor further option shall be made, but in all other respects the provisions of the 2019 Share Option Scheme shall remain in force and effect. All options granted and accepted and remained unexpired immediately prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the 2019 Share Option Scheme.

The 2019 Share Option Scheme aims to attract, retain and provide incentives to senior and mid-level management and key employees of the Company, to provide them with the opportunity to obtain shares of the Company and to link their interests closely to the operating results and share performance of the Company with a view to increasing the value of the Company and to attracting human resources that are valuable to the Group.

For the purpose of the 2019 Share Option Scheme, eligible participants means any employee or proposed employee (whether full time or part time) of any member of the Group or any invested entity, excluding any independent non-executive Directors and provided that the proposed employee is actually employed by the Group and is subject to pass the stipulated probation period.

The Grantee may subscribe for Shares during such period as may be determined by the Directors (which shall not be more than six years from the date of grant of the relevant Option and include the minimum period, for which an Option must be held before it can be exercised). Subject to the terms of the 2019 Share Option Scheme, Options can be vested at any time after the expiry of a period which may be determined by the Board from the date of grant of the relevant Option. The exercise price shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the Offer) but in any case the exercise price shall not be lower than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

The share options granted under the 2019 Share Option Scheme have all been exercised or have lapsed before 8 July 2025. At the beginning and during the Reporting Period, no share options were cancelled, lapsed or exercised under the 2019 Share Option Scheme. No share options were outstanding as at the end of the Reporting Period.

No options can be granted at the beginning and the end of the Reporting Period under the 2019 Share Option Scheme as the Company has terminated the 2019 Share Option Scheme on 2021 Adoption Date.

Options granted in 2019

On the 2019 Grant Date, the Company conditionally granted 14,400,000 Options to certain Grantees, subject to acceptance of the Grantees, to subscribe for a total of 14,400,000 shares pursuant to the 2019 Share Option Scheme. The exercise price of the Shares on the 2019 Grant Date was HK$7.244 per Share, which is the highest among (i) the closing price of HK$7.130 per Share on the 2019 Grant Date; (ii) the average closing price of HK$7.244 per Share for the five business days immediately preceding the 2019 Grant Date; and (iii) the nominal value of each Share. The closing price for the business day immediately preceding the 2019 Grant Date was HK$7.220 per Share. The offer of a grant of Options may be accepted within 28 days from the date of offer.

Among the Options granted in 2019, 1,317,500 Options were granted to the Directors, chief executives or substantial Shareholders of the Company, or an associate (as defined in the Listing Rules) of any of them and 13,082,500 Options were granted to other senior management (as defined in Chapter 17 of the Listing Rules) and employees of the Group.

Options granted in 2020

On the 2020 Grant Date, the Company conditionally granted 835,500 Options to certain Grantees, subject to acceptance of the Grantees, to subscribe for a total of 835,500 shares pursuant to the 2019 Share Option Scheme. The exercise price of the Shares on the 2020 Grant Date was HK$7.960 per Share, which is the highest among (i) the closing price of HK$7.960 per Share on the 2020 Grant Date; (ii) the average closing price of HK$7.894 per Share for the five business days immediately preceding the 2020 Grant Date; and (iii) the nominal value of each Share. The closing price for the business day immediately preceding the 2020 Grant Date was HK$7.820 per Share.

The Grantees of the Options granted in 2020 are the employees of the Group, and none of them are Directors, chief executives or substantial Shareholders of the Company, or their associates (as defined in the Listing Rules).

Details of the 2019 Share Option Scheme and the granted Options are set out in the circular issued by the Company on 13 June 2019, the announcements issued on 9 July 2019 and 9 July 2020, and the circular issued on 15 April 2021.

Share Options Exercised and Issued Shares

As mentioned above, no share options granted by the Company were exercised during the Reporting Period.

2024 Share Award Scheme

On 31 May 2024, the Board of the Company resolved to adopt the 2024 Share Award Scheme for employees selected by the Board. The purposes of the 2024 Share Award Scheme are: (i) to achieve the Group's long term business planning; (ii) to enhance the Group's value; (iii) to promote the Group's growth and to achieve sustainable development; and (iv) to share value returns with employees. The validity and effective period of the 2024 Share Award Scheme shall commence from 31 May 2024 for a term of 6 (six) years, but may be terminated earlier by the Board in accordance with the rules of the 2024 Share Award Scheme (the "**2024 Scheme Rules**"). For the 2024 Share Award Scheme, employee represents any employee of any member of the Group (including but not limited to any executive Director, excluding any non-executive Director or independent non-executive Director); Selected employee (the "**Selected Employee**") represents employees selected by the Board in accordance with the 2024 Scheme Rules to participate in the 2024 Share Award Scheme. Unless otherwise provided in the provisions of the 2024 Scheme Rules, the Board may, from time to time, exercise its absolute discretion to select any employee (excluding any excluded employee) as a Selected Employee to participate in the 2024 Share Award Scheme, and grant the relevant number of awarded shares to any Selected Employee for free.

According to the 2024 Share Award Scheme, the maximum number of shares available to issue during its term is limited to 4,200,000 shares, representing approximately 0.66% of the issued share capital (excluding treasury shares, if any) of the Company as at the date of the report. Pursuant to the 2024 Share Award Scheme, the maximum number of awarded Shares that may be granted to any Selected Employee during its term shall not exceed 0.28% of the issued share capital of the Company from time to time (i.e., 1,800,000 shares as at 31 May 2024). Under the 2024 Share Award Scheme, all the awarded Shares granted to incentive recipients under the Scheme shall not be vested within 3 years (36 months) from the date of first grant. In principle, the awarded Shares shall be vested in the following manner: (1) by the end of the third anniversary (36 months) from the date of grant, 30% of the awarded Shares granted to each incentive recipients shall be vested (the "**First Vesting**"); (2) by the end of the fourth anniversary (48 months) from the date of grant, another 30% of the awarded Shares granted to each incentive recipients shall be vested (the "**Second Vesting**"); (3) by the end of the fifth anniversary (60 months), the remaining 40% of the awarded Shares granted to each incentive recipients shall be vested (the "**Third Vesting**"). The Board is entitled to impose any conditions (including a period of continued service within the Group after the grant of the award and performance targets which must be attained) with respect to the vesting of the awarded Shares on the Selected Employee and any other conditions, restrictions or limitations, as it deems appropriate in its absolute discretion, and shall inform the Trustee and such Selected Employees the relevant conditions, restrictions and/or limitations of the award and awarded Shares. According to the 2024 Share Award Scheme, the Shares will be purchased by the 2024 Share Award Scheme Trustee on the Stock Exchange (costs to be borne by the Company), and will be vested before held in trust by the 2024 Share Award Scheme Trustee on behalf of selected employees pursuant to the 2024 Share Award Scheme.

The 2024 Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules. The 2024 Share Award Scheme was contemplated and adopted to be funded solely by the existing Shares pursuant to Rule 17.01(1)(b) of the Listing Rules and does not constitute a scheme involving the issue of new shares as referred to under Rule 17.01(1)(a) of the Listing Rules. Therefore, the adoption of the 2024 Share Award Scheme was not subject to Shareholders' approval and the 2024 Share Award Scheme shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

The Company has entered into a trust deed with Futu Trustee Limited and appointed it as the trustee (the "**Trustee**") under the 2024 Share Award Scheme. To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Trustee or the Trustee Holdco or its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons under Chapter 14A of the Listing Rules. No instructions shall be given by a selected participant (including, without limitation, voting rights) to the Trustee in respect of the awarded Shares that have not been vested, and such other properties of the trust fund managed by the Trustee. The Trustee shall abstain and, where applicable, shall procure the Trustee Holdco to abstain from exercising the voting rights in respect of any Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the awarded Shares, any bonus Shares and scrip Shares derived therefrom).

No award shall be made by the Board under the 2024 Share Award Scheme and no instructions to acquire any Shares shall be given to the Trustee under the 2024 Share Award Scheme where dealings in Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time, or where dealing in Shares by a selected participant (including the Directors) or the granting the award are prohibited by or would result in a breach of the Listing Rules, the Securities and Futures Ordinance (the "**SFO**") or any other law or regulation.

The 2024 Share Award Scheme Trustee will purchase Shares on the Stock Exchange funded by the Group's internal resources for the purpose of the 2024 Share Award Scheme. As at 13 June 2025, the Board has considered and approved the proposal of the Company or the person designated by the Company (including the subsidiaries of the Company) paying the Trustee a maximum amount of HK$35 million in cash for covering the purchase price or the required expenses in respect of the Share(s) granted and to be granted under the 2024 Share Award Scheme. The cash amount will be paid in tranches by the Company or the person designated by the Company (including the subsidiaries of the Company) with its own funds, which will constitute the part of the trust assets. From the date of adoption of the 2024 Share Award Scheme (i.e. 31 May 2024) up to 30 June 2026, the Trustee has purchased 4,000,000 Shares under the 2024 Share Award Scheme. As at the date of this annual report, the remaining life of the 2024 Share Award Scheme is approximately three years and eleven months.

Since the adoption of the 2024 Share Award Scheme (i.e. 31 May 2024) up to 30 June 2026, 2,620,000 awarded Shares have been granted to Selected Employees under the 2024 Share Award Scheme, of which 420,000 awarded Shares have been cancelled. As at the date of this report, the number of shares that may be awarded under the 2024 Share Award Scheme is 1,580,000, representing approximately 0.25% of the total number of shares issued by the Company as at the date of this report.

Details of the outstanding Options and awards and Options and awards granted, exercised, cancelled and lapsed for the six months ended 30 June 2026 are as follows:

		Share Options										Share Awards							
Name of the participant	Position(s) held	Grant date	Exercise price	As at the date of grant	Outstanding as at the beginning of the period	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	Outstanding as at the end of the period	Exercise period	Grant date of share awards outstanding at the beginning of the period	Vesting date	Outstanding at the beginning of the period	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period	Outstanding as at the end of the period
Che Baozhen	Executive Director	9 July 2019	HK$7.244	580,000	–	–	–	–	–	–	9 July 2020 to 8 July 2025 (Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Shi Futao	Executive Director	9 July 2019	HK$7.244	512,000	–	–	–	–	–	–	9 July 2020 to 8 July 2025 (Note 1)	30 December 2024 and 16 December 2025	30 December 2027	120,000	–	–	–	–	120,000
		28 June 2021	HK$8.568	5,000,000	–	–	–	–	–	–	28 June 2024 to 27 June 2029 (Note 3)		30 December 2028	120,000	–	–	–	–	120,000
													30 December 2029	160,000	–	–	–	–	160,000
Jiang Xizhou	Executive Director	9 July 2020	HK$7.960	225,500	–	–	–	–	–	–	9 July 2021 to 8 July 2025 (Note 2)	30 December 2024 and 16 December 2025	30 December 2027	360,000	–	–	–	–	360,000
		28 June 2021	HK$8.568	500,000	–	–	–	–	–	–	28 June 2024 to 27 June 2029 (Note 3)		30 December 2028	360,000	–	–	–	–	360,000
													30 December 2029	480,000	–	–	–	–	480,000
Other senior management (as defined in Chapter 17 of the Listing Rules) and employees		9 July 2019	HK$7.244	13,308,000	–	–	–	–	–	–	9 July 2020 to 8 July 2025 (Note 1)	30 December 2024 and 16 December 2025	30 December 2027	204,000	–	–	–	24,000	180,000
		9 July 2020	HK$7.960	580,500	–	–	–	–	–	–	9 July 2021 to 8 July 2025 (Note 2)		30 December 2028	204,000	–	–	–	24,000	180,000
		28 June 2021	HK$8.568	25,050,000	–	–	–	–	–	–	28 June 2024 to 27 June 2029 (Note 3)		30 December 2029	272,000	–	–	–	32,000	240,000
		28 September 2022	HK$8.568	3,080,000	–	–	–	–	–	–	28 June 2024 to 27 May 2029 (Note 4)								
		28 September 2023	HK$8.568	960,000	–	–	–	–	–	–	28 September 2024 to 27 May 2029 (Note 5)								
Five highest paid employees		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30 December 2024 and 16 December 2025	30 December 2027	72,000	–	–	–	72,000	–
													30 December 2028	72,000	–	–	–	72,000	–
													30 December 2029	96,000	–	–	–	96,000	–
Total				54,325,500	–	–	–	–	–	–				2,520,000	–	–	–	320,000	2,200,000

Note 1: The share options granted will vest upon achievement of the performance targets in the respective proportions and on the respective dates as specified in the offer letter. One third of the total number of the share options granted shall be vested and exercisable from the expiry of 12 months, 24 months and 36 months, respectively, on the 2019 Grant Date; if the share options are not vested due to the failure of meeting performance standards of the participants of the incentive scheme in the first three vesting periods, the share options granted shall be exercisable at any time from the expiry of 48 months from the 2019 Grant Date for the fourth exercise period subject to the fulfillment of performance standards in the fourth annual appraisal and the deferred vesting conditions, and the vesting proportion shall be the remaining unvested share options after excluding the lapsed share options. During the Reporting Period, all outstanding share options under the 2019 Share Option Scheme had expired.

Note 2: The share options granted will vest upon achievement of the performance targets in the respective proportions and on the respective dates as specified in the offer letter. Half of the total number of the share options granted shall be vested and exercisable from the expiry of 12 months and 24 months, respectively, on the 2020 Grant Date; if the share options are not vested due to the failure of meeting performance standards of the participants of the incentive scheme in the first two vesting periods, the share options granted shall be exercisable at any time from the expiry of 36 months from the 2020 Grant Date for the third exercise period subject to the fulfillment of performance standards in the third annual appraisal and the deferred vesting conditions, and the vesting proportion shall be the remaining unvested share options after excluding the lapsed share options. During the Reporting Period, all outstanding share options under the 2019 Share Option Scheme had expired.

Note 3: Subject to the terms of the 2021 Share Option Scheme, 35% and the remaining 65% of the share options can be vested and exercised at any time after the expiration of 36 months and 60 months from the 2021 Grant Date, respectively. Subject to the vesting schedule, the share options are exercisable within a period of eight years commencing from the 2021 Grant Date. The share options granted will vest upon achievement of the performance targets in the respective proportions and on the respective dates as specified in the offer letter. As the vesting conditions have not been met, the unvested share options granted to such Grantee have lapsed in accordance with the terms of the 2021 Share Option Scheme.

Note 4: Subject to the terms of the 2021 Share Option Scheme, 35% and the remaining 65% of the share options can be vested and exercised at any time after the expiration of 21 months and 45 months from the 2022 Grant Date, respectively. Subject to the vesting schedule, the share options are exercisable within a period of six years and nine months commencing from the 2022 Grant Date. The share options granted will vest upon achievement of the performance targets in the respective proportions and on the respective dates as specified in the offer letter. As the vesting conditions have not been met, the unvested share options granted to such Grantee have lapsed in accordance with the terms of the 2021 Share Option Scheme.

Note 5: Subject to the terms of the 2021 Share Option Scheme, 35% and the remaining 65% of the share options can be vested and exercised at any time after the expiration of 12 months and 33 months from the 2023 Grant Date, respectively. Subject to the vesting schedule, the share options are exercisable within a period of five years and nine months commencing from the 2023 Grant Date. The share options granted will vest upon achievement of the performance targets in the respective proportions and on the respective dates as specified in the offer letter. As the vesting conditions have not been met, the unvested share options granted to such Grantee have lapsed in accordance with the terms of the 2021 Share Option Scheme.

Save as disclosed above, (i) none of the Grantees is a Director, chief executives or substantial shareholder of the Company, or an associate (as defined in the Listing Rules) of any of them; (ii) none of the Grantees is a Participant who has granted or will grant options in excess of the individual limit of 1% as required under the Listing Rules in any 12-month period; and (iii) none of the Grantees is a Connected Entity Participant or Service Provider (as defined in the Listing Rules).

Options Exercised and Issued Shares

As mentioned above, no share options granted by the Company were exercised during the six months ended 30 June 2026.

Controlling Shareholder's Specific Performance Obligations under the Financing Agreement

On 3 August 2026, as confirmed by the parties, Prinx Tire (Malaysia) SDN. BHD ("**Prinx Malaysia**") as the borrower, Bank of China (Hong Kong) Limited as the coordinator, and Bank of China (Hong Kong) Limited, Bank of China (Malaysia) Berhad, Bank of China Limited Shandong Branch, China Construction Bank (Malaysia) Berhad, China Construction Bank Shandong Branch and HSBC Bank Malaysia Berhad as mandated lead arrangers (the "**Lenders**"), entered into a facility agreement (the "**Agreement**") in relation to RMB1.36 billion and US$15 million financing for a term of five years from the date of the Agreement. Pursuant to the Agreement, unless the prior written consent of Bank of China (Malaysia) Berhad (acting on the instructions of all Lenders) is obtained, Prinx Malaysia shall procure that:

(a) Mr. Che Baozhen, Mr. Che Hongzhi and Ms. Li Xiuxiang (the "**Controlling Shareholders**") shall collectively remain as the single largest shareholder of the Company; and

(b) the Controlling Shareholders shall maintain management control over the Company.

The details of the loan agreements with specific performance covenants are set out in the announcement issued by the Company on 3 August 2026.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Group that have occurred since the end of the Reporting Period.

Corporate Governance and Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance through an effective board, segregation of duties with clear accountability, sound internal control, appropriate risk assessment procedures and transparency to all the Shareholders, to safeguard the interests of its Shareholders and enhance its value and accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") contained in Appendix C1 to the Listing Rules as its own corporate governance code. The Company has been in compliance with the applicable code provisions under Part 2 of the Corporate Governance Code for the six months ended 30 June 2026. The Company will continue to review and monitor its corporate governance practices in order to ensure compliance with the Corporate Governance Code.

MODEL CODE FOR 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 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiries have been made to all Directors and each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code for the six months ended 30 June 2026.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company during the six months ended 30 June 2026.

INTERIM DIVIDEND

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

AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established an audit and risk management committee (the "**Audit and Risk Management Committee**") which comprises three members, all being independent non-executive Directors, namely Mr. Chan Chi Fung, Leo (Chairman), Mr. Wang Chuansheng and Mr. Jin Qingjun as at the date of this report. On 1 March 2026, Mr. Choi Tze Kit Sammy resigned as the Chairman of the Audit and Risk Management Committee, and Mr. Chan Chi Fung, Leo was appointed to succeed him as the Chairman of the committee. The primary responsibility of the Audit and Risk Management Committee is to review and supervise the Company's financial reporting procedures and internal controls.

The Audit and Risk Management Committee has reviewed the unaudited condensed consolidated interim results and interim report of the Group for the six months ended 30 June 2026, and hereby recognised that the interim results have been prepared in accordance with the relevant accounting standards and that the Company has made appropriate disclosures therein.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company' s total issued shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at any time from 1 January 2026 and up to the date of this interim report.

DISCLOSEABLE TRANSACTIONS

On 30 April 2026, Prinx Tire (Malaysia) Sdn. Bhd. ("**Prinx Malaysia**"), an indirect wholly-owned subsidiary of the Company, entered into two purchase contracts with Qingdao MESNAC Machinery and Electric Engineering Co., Ltd.* (青島軟控機電工程有限公司) (the "**Vendor**") in respect of equipment used at the production base of the Group in Malaysia, for the purchase of all-steel tire 65-inch hydraulic curing press and semi-steel tire 48-inch hydraulic curing press, at a total consideration of RMB86,958,000. Together with several previous purchase contracts entered into between Prinx Malaysia and the Vendor for semi-steel and all-steel tire production line equipment and tire building machines (at an aggregate consideration of RMB197,130,000), the aforesaid contracts are collectively referred to as the "Phase I Purchase Contracts", with a total consideration of RMB284,088,000. Details are set out in the announcement of the Company dated 30 April 2026.

On 29 May 2026, Prinx Malaysia and the Vendor further entered into three purchase contracts (the "**Phase II Purchase Contracts**") in respect of equipment used at the same production base, for the purchase of all-steel tire 55-inch hydraulic curing press, semi-steel tire 48-inch hydraulic curing press and open mixing mill, at an aggregate consideration of RMB116,072,000. Details are set out in the announcement of the Company dated 29 May 2026.

As the Group and the Vendor have entered into multiple purchase contracts in respect of equipment for use in the production base in Malaysia within a twelve-month period, the Phase II Purchase Contracts and the Phase I Purchase Contracts are required to be aggregated as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules. On aggregation (with an aggregate consideration of RMB400,160,000), they constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, as one or more of the applicable percentage ratios exceed 5% but are less than 25%, and is subject to the reporting and announcement requirements under the Listing Rules, but is exempted from complying with the Shareholders' approval requirements.

2026 ANNUAL GENERAL MEETING

The Board considers the annual general meeting as an important opportunity for direct communication with shareholders. The 2026 annual general meeting was held on 22 June 2026 at No. 98, North Nanshan Road, Rongcheng City, Shandong Province, China and successfully concluded. Board members and external auditors attended the meeting where they communicated with shareholders. Details of the voting matters are set out in the Company's announcement dated 22 June 2026.

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

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in Appendix 10 to the Listing Rules, are set out as follows:

Name of directors	Capacity/Nature of interest	Number of shares	Long/Short position	Approximate percentage of shareholding in the Company
Mr. Che Hongzhi	Spouse interest	440,900,000 *(Note 1)*	Long position	69.04%
Mr. Che Baozhen	Interest in a controlled corporation	440,900,000 *(Note 2)*	Long position	69.04%
Mr. Shi Futao	Beneficial owner	582,000 *(Note 3)*	Long position	0.09%
Mr. Jiang Xizhou	Beneficial owner	1,200,000 *(Note 4)*	Long position	0.19%

Notes:

(1) Mr. Che Hongzhi is the spouse of Ms. Li Xiuxiang. As such, he is deemed to be interested in all the Shares in which Ms. Li Xiuxiang is interested.

(2) As at 30 June 2026, Mr. Che Baozhen directly owned 50% of the equity interest in Shanghai Chengzhan Information and Technology Centre* (上海成展信息科技中心) ("**Shanghai Chengzhan**"), which in turns owned 95% of the equity interest in Beijing Zhongmingxin Investment Company Limited* (北京中銘信投資有限公司) ("**Beijing Zhongmingxin**"), which in turns controlled 39.79% of the equity interest in Chengshan Group Company Limited* (成山集團有限公司) ("**Chengshan Group**"). As such, Mr. Che Baozhen, Shanghai Chengzhan and Beijing Zhongmingxin are deemed to be interested in the interests in Chengshan Group.

(3) As at 30 June 2026, 3,250,000 options held by Mr. Shi Futao had lapsed in accordance with the terms of the 2021 Share Option Scheme. As at 30 June 2026, Mr. Shi Futao held interests in 400,000 Shares through the awards granted under the share award scheme under physically settled equity derivatives.

(4) As at 30 June 2026, 3,250,000 options held by Mr. Jiang Xizhou had lapsed in accordance with the terms of the 2021 Share Option Scheme. As at 30 June 2026, Mr. Jiang Xizhou held interests in 1,200,000 Shares through the awards granted under the share award scheme under physically settled equity derivatives.

(5) The calculation is based on the total number of 638,645,000 Shares in issue as at 30 June 2026 and the Company did not hold any treasury shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors or chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be maintained pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 30 June 2026, to the knowledge of the Directors, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be maintained pursuant to section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares	Long/Short position	Approximate percentage of shareholding in the Company
Sinotruk (Hong Kong) Capital Holding Limited	Beneficial owner	54,873,500 *(Note 1)*	Long position	8.59%
Sinotruk (Hong Kong) International Investment Limited	Interest in a controlled corporation	54,873,500 *(Note 1)*	Long position	8.59%
Sinotruk (Hong Kong) Limited	Interest in a controlled corporation	54,873,500 *(Note 1)*	Long position	8.59%
Sinotruk (BVI) Limited	Interest in a controlled corporation	54,873,500 *(Note 1)*	Long position	8.59%
China National Heavy Duty Truck Group Co., Ltd.* (中國重型汽車集團有限公司)	Interest in a controlled corporation	54,873,500 *(Note 1)*	Long position	8.59%
Shandong Heavy Industry Group Co., Ltd.* (山東重工集團有限公司)	Interest in a controlled corporation	54,873,500 *(Note 1)*	Long position	8.59%
Chengshan Group	Beneficial owner	436,600,000 *(Note 2)*	Long position	68.36%
	Interest in a controlled corporation	4,300,000 *(Note 2)*	Long position	0.68%
Beijing Zhongmingxin	Interest in a controlled corporation	440,900,000 *(Note 2)*	Long position	69.04%
Shanghai Chengzhan	Interest in a controlled corporation	440,900,000 *(Note 2)*	Long position	69.04%
Ms. Li Xiuxiang	Interest in a controlled corporation	440,900,000 *(Note 2)*	Long position	69.04%

Name	Capacity/Nature of interest	Number of shares	Long/Short position	Approximate percentage of shareholding in the Company
Ms. Bi Wenjing	Spouse interest	440,900,000 *(Note 3)*	Long position	69.04%
Sino Legend Holding Group Limited	Beneficial owner	32,674,500 *(Note 4)*	Long position	5.12%
Sino Legend (China) Chemical Company Limited	Interest in a controlled corporation	32,674,500 *(Note 4)*	Long position	5.12%
Red Avenue New Materials Group Co., Ltd.	Interest in a controlled corporation	32,674,500 *(Note 4)*	Long position	5.12%
Red Avenue Investment Group Limited	Interest in a controlled corporation	32,674,500 *(Note 4)*	Long position	5.12%
ZHANG NING	Interest in a controlled corporation	32,674,500 *(Note 4)*	Long position	5.12%

Notes:

(1) As at 30 June 2026, Shandong Heavy Industry Group Co., Ltd. held 65% interest in China National Heavy Duty Truck Group Co., Ltd., which in turn owned 100% of the interests of Sinotruk (BVI) Limited. Sinotruk (BVI) Limited held 51% of the issued share capital of Sinotruk (Hong Kong) Limited. Sinotruk (Hong Kong) Limited held 100% of the issued share capital of Sinotruk (Hong Kong) International Investment Limited, which in turn held 100% of the issued share capital of Sinotruk (Hong Kong) Capital Holding Limited, which in turn holds 54,873,500 shares of the Company. As such, Shandong Heavy Industry Group Co., Ltd., China National Heavy Duty Truck Group Co., Ltd., Sinotruk (BVI) Limited, Sinotruk (Hong Kong) Limited and Sinotruk (Hong Kong) International Investment Limited are deemed to be interested in the 54,873,500 Shares held by Sinotruk (Hong Kong) Capital Holding Limited.

(2) As at 30 June 2026, Ms. Li Xiuxiang directly owned 50% of the equity interest in Shanghai Chengzhan, which owned 95% of the equity interest in Beijing Zhongmingxin, which in turns owned 39.79% of the equity interest in Chengshan Group.

Chengshan Group holds 100% of the issued share capital of Chengshan Trade (Hong Kong) Limited, which directly holds 4,300,000 shares in the Company. Chengshan Group is deemed to be interested in the interests in Chengshan Trade (Hong Kong) Limited.

As such, Ms. Li Xiuxiang, Shanghai Chengzhan and Beijing Zhongmingxin are deemed to be interested in the interests in Chengshan Group.

(3) Ms. Bi Wenjing is the spouse of Mr. Che Baozhen. As such, she is deemed to be interested in all the Shares in which Mr. Che Baozhen is interested.

(4) As at 30 June 2026, Sino Legend (China) Chemical Company, Ltd. held 100% interest in Sino Legend Holding Group Ltd., and Red Avenue New Materials Group Co., Ltd. held 100% interest in Sino Legend (China) Chemical Company, Ltd. Red Avenue Investment Group Ltd. held 49. 11% of the issued share capital of Red Avenue New Materials Group Co., Ltd., ZHANG NING directly held 100% of the issued share capital of Red Avenue Investment Group Ltd and Sino Legend Holding Group Ltd. held 32,674,500 shares of the Company. As such, ZHANG NING, Sino Legend (China) Chemical Company, Ltd., Red Avenue New Materials Group Co., Ltd. and Red Avenue Investment Group Ltd. are deemed to be interested in 32,674,500 Shares held by Sino Legend Holding Group Ltd.

(5) The calculation is based on the total number of 638,645,000 Shares in issue as at 30 June 2026 and the Company did not hold any treasury shares as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, to the knowledge of the Directors, none of any other person (other than the Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register referred to in section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this interim report, during the six months ended 30 June 2026, the Company or any of its subsidiaries did not enter into any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18 were granted any right to subscribe for the share capital or debt securities of the Company or any other body corporate, or had exercised any such right.

DIRECTORS' REMUNERATION

During the six months ended 30 June 2026, no Directors have waived or agreed to waive any remuneration for the six months ended 30 June 2026.

CHANGE OF DIRECTOR INFORMATION

During the Reporting Period, the composition of the Board of the Company underwent the following changes: Mr. Choi Tze Kit Sammy resigned as an independent non-executive Director on 1 March 2026, and ceased to be the chairman of the Audit Committee and a member of the Nomination and Remuneration Committee; Mr. Chan Chi Fung, Leo has been appointed as an independent non-executive Director, the chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee on 1 March 2026. In addition, the Company's Audit Committee has been renamed as the "Audit and Risk Management Committee", and the Development Strategy and Risk Management Committee has been renamed as the "Development Strategy and ESG Committee".

On 15 July 2026, the Board of the Company announced a change in the chief executive officer. Mr. Che Baozhen, an executive Director and the Chief Executive Officer, resigned as the Chief Executive Officer of the Group, and Mr. Jiang Xizhou, an executive Director and the Executive President, was appointed as the President, with effect from 1 August 2026. Details are set out in the announcement of the Company dated 15 July 2026.

Save as disclosed above, the Directors confirmed that no other information needs to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2026

	Note	Unaudited Six months ended 30 June 2026 RMB'000	 2025 RMB'000
Revenue	7	**5,786,325**	5,705,196
Cost of sales		**(4,811,325)**	(4,757,694)
Gross profit		**975,000**	947,502
Selling and distribution expenses		**(281,285)**	(265,736)
Administrative expenses		**(116,145)**	(122,697)
Research and development costs		**(128,255)**	(111,717)
Other income		**39,898**	27,967
Other (losses)/gains — net		**(22,112)**	32,526
Net impairment losses on financial assets		**(5,822)**	(777)
Operating profit	8	**461,279**	507,068
Finance income	9	**9,108**	6,505
Finance costs	9	**(12,964)**	(11,283)
Finance costs — net	9	**(3,856)**	(4,778)
Share of result of associates		**—**	186
Profit before income tax		**457,423**	502,476
Income tax expense	10	**(43,720)**	5,170
Profit for the period		**413,703**	507,646
Profit attributable to:			
— Shareholders of the Company		**413,744**	507,631
— Non-controlling interests		**(41)**	15
		413,703	507,646
Earnings per share for profit attributable to shareholders of the Company for the period			
— Basic (RMB)	11	**0.65**	0.80
— Diluted (RMB)	11	**0.65**	0.80

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit for the period	**413,703**	507,646
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss		
Currency translation differences	**(125,695)**	(5,721)
Items that will not be reclassified to profit or loss		
Currency translation differences	**(37,669)**	(3,915)
Other comprehensive loss for the period, net of tax	**(163,364)**	(9,636)
Total comprehensive income for the period	**250,339**	498,010
Attributable to:		
— Shareholders of the Company	**250,380**	497,995
— Non-controlling interests	**(41)**	15
Total comprehensive income for the period	**250,339**	498,010

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Financial Position

As At 30 June 2026

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment	13	**4,982,212**	5,056,690
Right-of-use assets	14	**168,838**	157,711
Intangible assets	13	**75,412**	78,535
Investment in associates		**10,217**	10,217
Prepayments, other receivables and other assets	18	**511,916**	113,188
Deferred tax assets	25	**1,350**	1,393
		5,749,945	5,417,734
Current assets			
Inventories	15	**1,808,431**	1,674,895
Trade and notes receivables	17	**2,632,105**	2,441,626
Prepayments, other receivables and other assets	18	**394,145**	403,837
Financial assets at fair value through profit or loss	16	**145,262**	153,362
Amounts due from related parties	27(b)	**536,967**	553,379
Cash and cash equivalents		**723,797**	1,034,913
Restricted cash		**57,257**	64,928
		6,297,964	6,326,940
Total assets		**12,047,909**	11,744,674
Equity and liabilities			
Equity attributable to shareholders of the Company			
Share capital	19	**203**	203
Share premium	19	**2,203,372**	2,203,372
Treasury shares	21	**(27,438)**	(27,438)
Reserves	21	**4,988,345**	5,013,318
		7,164,482	7,189,455
Non-controlling interests		**(87)**	(46)
Total equity		**7,164,395**	7,189,409

	Note	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Liabilities			
Non-current liabilities			
Bank borrowings	22	**408,322**	391,500
Lease liabilities	14	**13,952**	6,693
Amounts due to related parties	27(b)	**230,000**	230,000
Deferred income		**88,582**	76,927
Deferred tax liabilities	25	**60,979**	55,976
		801,835	761,096
Current liabilities			
Trade payables	23	**2,043,725**	2,012,635
Other payables and accruals	24	**1,196,684**	1,202,213
Contract liabilities		**73,840**	77,397
Lease liabilities	14	**28,351**	23,180
Provision for warranties		**88,819**	83,992
Dividend Payable		**278,395**	—
Amounts due to related parties	27(b)	**31,565**	20,507
Current income tax liabilities		**106,084**	82,804
Bank borrowings	22	**234,216**	291,441
		4,081,679	3,794,169
Total liabilities		**4,883,514**	4,555,265
Total equity and liabilities		**12,047,909**	11,744,674

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

		Unaudited						
		Equity attributable to shareholders of the Company						
	Note	Share capital RMB'000 *(Note 19)*	Share premium RMB'000 *(Note 19)*	Treasury shares RMB'000 *(Note 21)*	Reserves RMB'000 *(Note 21)*	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2026		**203**	**2,203,372**	**(27,438)**	**5,013,318**	**7,189,455**	**(46)**	**7,189,409**
Comprehensive income								
Profit for the period		**–**	**–**	**–**	**413,744**	**413,744**	**(41)**	**413,703**
Other comprehensive income								
Currency translation difference		**–**	**–**	**–**	**(163,364)**	**(163,364)**	**–**	**(163,364)**
Total other comprehensive loss, net of tax		**–**	**–**	**–**	**(163,364)**	**(163,364)**	**–**	**(163,364)**
Total comprehensive income		**–**	**–**	**–**	**250,380**	**250,380**	**(41)**	**250,339**
Transactions with shareholders								
Employee share option schemes								
– value of employee services	20,21	**–**	**–**	**–**	**2,312**	**2,312**	**–**	**2,312**
Cash dividends	12	**–**	**–**	**–**	**(277,665)**	**(277,665)**	**–**	**(277,665)**
Total transactions with shareholders		**–**	**–**	**–**	**(275,353)**	**(275,353)**	**–**	**(275,353)**
Balance at 30 June 2026		**203**	**2,203,372**	**(27,438)**	**4,988,345**	**7,164,482**	**(87)**	**7,164,395**

		Unaudited						
		Equity attributable to shareholders of the Company						
	Note	Share capital RMB'000 *(Note 19)*	Share premium RMB'000 *(Note 19)*	Treasury shares RMB'000 *(Note 21)*	Reserves RMB'000 *(Note 21)*	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2025		202	2,193,501	–	4,349,841	6,543,544	(81)	6,543,463
Comprehensive income								
Profit for the period		–	–	–	507,631	507,631	15	507,646
Other comprehensive income								
Currency translation difference		–	–	–	(9,636)	(9,636)	–	(9,636)
Total other comprehensive loss, net of tax		–	–	–	(9,636)	(9,636)	–	(9,636)
Total comprehensive income		–	–	–	497,995	497,995	15	498,010
Transactions with shareholders								
Issue of shares under employee share scheme		1	10,150	–	(1,919)	8,232	–	8,232
Employee share option schemes — value of employee services	20,21	–	–	–	9,407	9,407	–	9,407
Treasury shares				(27,438)	–	(27,438)	–	(27,438)
Cash dividends	12	–	–	–	(293,282)	(293,282)	–	(293,282)
Total transactions with shareholders		1	10,150	(27,438)	(285,794)	(303,081)	–	(303,081)
Balance at 30 June 2025		203	2,203,651	(27,438)	4,562,042	6,738,458	(66)	6,738,392

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Cash flows from operating activities		
Cash generated from operations	**374,940**	231,040
Interest received	**9,108**	6,703
Interest paid	**(13,960)**	(10,370)
Income taxes received/(paid)	**9,280**	(8,624)
Net cash inflow from operating activities	**379,368**	218,749
Cash flows from investing activities		
Purchases of property, plant and equipment	**(643,616)**	(190,717)
Proceeds from government grants	**17,000**	6,194
Proceeds from sale of property, plant and equipment	**138**	3,198
Purchases of land use rights	**—**	(42,718)
Purchases of intangible assets	**(1,505)**	(1,355)
Purchases of financial assets at fair value through profit or loss	**(729,000)**	(300,430)
Proceeds from sale of financial assets at fair value through profit or loss	**740,901**	442,746
Net cash outflow from investing activities	**(616,082)**	(83,082)
Cash flows from financing activities		
Proceeds from borrowings	**258,522**	270,000
Repayment of borrowings	**(298,150)**	(321,507)
Purchases of treasury shares	**—**	(27,438)
Principal elements of lease payments	**(20,123)**	(19,117)
Cash dividends paid	**—**	(285,012)
Employee share option scheme — issuance of share	**—**	8,232
Net cash outflow from financing activities	**(59,751)**	(374,842)
Net decrease in cash and cash equivalents	**(296,465)**	(239,175)
Cash and cash equivalents at the beginning of period	**1,034,913**	554,112
Effects of exchange rate changes on cash and cash equivalents	**(14,651)**	927
Cash and cash equivalents at the end of period	**723,797**	315,864

The accompanying notes form an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 June 2026

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

Prinx Chengshan Holdings Limited (formerly named as Prinx Chengshan (Cayman) Holding Limited, the "**Company**"), was incorporated in Cayman Islands on 22 May 2015 as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, P.O. Box 472, Harbour Place, 2nd Floor, 103 South Church Street, George Town, Grand Cayman KY1-1106, Cayman Islands. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited ("**HKSE**") since 9 October 2018.

The Company is an investment holding company and its subsidiaries (together the "**Group**") are principally engaged in the manufacturing and sales of tire products in the People's Republic of China (the "**PRC**"), Thailand, America and other global markets.

The immediate holding company and ultimate controlling company of the Group is Chengshan Group Co., Ltd. ("**Chengshan Group**"), which was established in the PRC. Chengshan Group is ultimately held as to 69.15% by Mr. Che Baozhen and his spouse, Ms. Bi Wenjing, Mr. Che Hongzhi and his spouse, Ms. Li Xiuxiang (collectively the "**Controlling Shareholders**") and other individual shareholders.

These condensed consolidated interim financial information are presented in thousands of Renminbi ("**RMB'000**") and were approved for issue by the Board of Directors on 18 August 2026.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standards ("**HKAS**") 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards except for the adoption of new and amended standards as disclosed in Note 3.

3 SIGNIFICANT ACCOUNTING POLICIES

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

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The Group has applied the following standards, amendments and interpretation for the first time for its interim reporting period commencing 1 January 2026:

- Amendments to HKFRS 9 and HKFRS 7 — Amendments to the classification and measurement of financial instruments
- Amendments to HKFRS 9 and HKFRS 7 — Contracts referencing nature-dependent electricity
- Volume 11 — Annual Improvements to HKFRS Accounting Standards

The amendments and interpretation listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New and amended standards and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group are as follows:

Standards	**Key requirements**	**Effective for annual periods beginning on or after**
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: disclosures	1 January 2028

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a significant impact on the Group's financial performance and position.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New and amended standards and interpretations not yet adopted (Continued)

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

4 ESTIMATES

The preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

There have been no material changes in the risk management department or in any risk management policies since the year end.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.2 Liquidity risk

Compared to the previous year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total Amount RMB'000
At 30 June 2026					
Bank borrowings	**234,216**	**239,322**	**169,000**	**–**	**642,538**
Interest payables for bank borrowings	**22,524**	**8,109**	**3,613**	**–**	**34,246**
Amounts due to related parties	**38,465**	**6,900**	**230,857**	**–**	**276,222**
Trade payables	**2,043,725**	**–**	**–**	**–**	**2,043,725**
Other payables	**941,955**	**–**	**–**	**–**	**941,955**
Lease liabilities	**29,289**	**12,493**	**1,393**	**–**	**43,175**
	3,310,174	**266,824**	**404,863**	**–**	**3,981,861**
At 31 December 2025					
Bank borrowings	291,441	245,500	146,000	–	682,941
Interest payables for bank borrowings	20,473	9,118	1,046	–	30,637
Amounts due to related parties	27,407	6,900	233,450	–	267,757
Trade payables	2,012,635	–	–	–	2,012,635
Other payables	884,830	–	–	–	884,830
Lease liabilities	23,839	5,544	1,301	–	30,684
	3,260,625	267,062	381,797	–	3,909,484

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 30 June 2026 and 31 December 2025.

	Level 1	Level 2	Level 3	Total
As at 30 June 2026				
Assets				
Financial assets at fair value through profit or loss				
— Wealth management products *(a)*	**—**	**—**	**139,000**	**139,000**
— Listed equity securities	**6,262**	**—**	**—**	**6,262**
Financial assets at fair value through other comprehensive income				
— Notes receivable *(a)*	**—**	**—**	**559,451**	**559,451**
	6,262	**—**	**698,451**	**704,713**
As at 31 December 2025				
Assets				
Financial assets at fair value through profit or loss				
— Wealth management products *(a)*	—	—	150,000	150,000
— Listed equity securities	3,362	—	—	3,362
Financial assets at fair value through other comprehensive income				
— Notes receivable *(a)*	—	—	496,125	496,125
	3,362	—	646,125	649,487

There were no transfers between level 1, 2 and 3 during the periods.

5 FINANCIAL RISK MANAGEMENT (Continued)

5.3 Fair value estimation (Continued)

(a) Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 30 June 2026 RMB'000	**Valuation Technique**	**Unobservable input**	**Range (weighted average)**	**Relationship of unobservable inputs to fair value**
Wealth management products	**139,000**	**Discounted cash flow**	**Expected yield rate**	**0.9%–1.5% (1.2%)**	**A change in the yield rate by 100 basis points would increase/decrease the fair value approximately RMB1,374,000**
Notes receivable	**559,451**	**Discounted cash flow**	**Expected discount interest rate**	**0.59%–0.87% (0.7%)**	**A change in the discount interest rate by 100 basis points would increase/decrease the fair value approximately RMB5,554,000**

	Fair value at 31 December 2025 RMB'000	Valuation Technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair value
Wealth management products	150,000	Discounted cash flow	Expected yield rate	1.1%–2.0% (1.6%)	A change in the yield rate by 100 basis points would increase/decrease the fair value approximately RMB1,477,000
Notes receivable	496,125	Discounted cash flow	Expected discount interest rate	0.5%–3.2% (1.9%)	A change in the discount interest rate by 100 basis points would increase/decrease the fair value approximately RMB4,871,000

6 SEGMENT INFORMATION

Description of segments and principal activities

The executive directors of the Company have been identified as the chief operating decision-makers ("**CODM**") of the Group who review the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

The Group is principally engaged in manufacturing and selling tire products. The segments denote business units operating in different locations. In view of the distinct technologies and marketing strategies required by different operating locations, the CODM individually manage production and operating activities, evaluate operating results of different segments on a regular basis to assess the business performance and allocate resources thereto.

The Group has two segments as follows:

— Chinese Mainland and Hong Kong as one segment ("**Domestic**") for trading of raw material related to tire products, manufacturing and selling tire products.

— Overseas regions as the other segment for manufacturing and selling tire products.

Segment profit or loss

	For the six months ended 30 June 2026		
	Domestic RMB'000	**Overseas RMB'000**	**Total RMB'000**
Segment revenue	**3,644,267**	**2,142,058**	**5,786,325**
Segment results	**492,840**	**482,160**	**975,000**
Selling and distribution expenses			**(281,285)**
Administrative expenses			**(116,145)**
Research and development costs			**(128,255)**
Net impairment losses on financial assets			**(5,822)**
Other income			**39,898**
Other losses — net			**(22,112)**
Finance costs — net			**(3,856)**
Profit before income tax			**457,423**

6 SEGMENT INFORMATION (Continued)

Segment profit or loss (Continued)

	For the six months ended 30 June 2025		
	Domestic RMB'000	Overseas RMB'000	Total RMB'000
Segment revenue	3,514,101	2,191,095	5,705,196
Segment results	512,102	435,400	947,502
Selling and distribution expenses			(265,736)
Administrative expenses			(122,697)
Research and development costs			(111,717)
Net impairment losses on financial assets			(777)
Other income			27,967
Other gains — net			32,526
Finance costs — net			(4,778)
Share of result of associates			186
Profit before income tax			502,476

The Group's revenue by geographical location, which is determined by the region where the goods were delivered, is as follows:

	Unaudited Six months ended 30 June	
	2026 Revenue RMB'000	2025 Revenue RMB'000
Domestic	**2,199,156**	1,809,396
Americas	**1,843,279**	1,734,083
Asia (excluding domestic)	**585,271**	702,263
Europe	**426,497**	465,239
Africa	**415,003**	511,910
Middle East	**317,119**	482,305
	5,786,325	5,705,196

6 SEGMENT INFORMATION (Continued)

Segment profit or loss (Continued)

The Group's non-current assets (excluding intangible assets, investment in associates, prepayments and other receivables and deferred tax assets) by geographical location, which is determined by the city/country in which the asset is located, is as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Domestic	**2,317,713**	2,237,017
Overseas	**2,833,337**	2,977,384
	5,151,050	5,214,401

7 REVENUE

	Unaudited Six months ended 30 June	
	2026 RMB'000	2025 RMB'000
Revenue from customers and recognised at point in time		
Sales of tire products:		
— All steel radial tires	**3,317,486**	3,156,265
— Semi-steel radial tires	**2,353,148**	2,461,608
— Bias and OTR tires	**113,770**	86,980
Trade of raw material related to tire products	**1,921**	343
	5,786,325	5,705,196

8 OPERATING PROFIT

The operating profit of the Group is stated after charging the following:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Depreciation of property, plant and equipment *(Note 13)*	**(249,999)**	(254,716)
Depreciation of right-of-use assets *(Note 14)*	**(20,599)**	(17,907)
Provisions for warranty claims	**(28,874)**	(24,154)
Amortisation of intangible assets *(Note 13)*	**(4,613)**	(4,584)
Provision for impairment of trade receivables *(Note 17)*	**(6,063)**	(777)
Provision for write-down of inventories *(Note 15)*	**(13,330)**	(13,414)
Other income		
— Sales of scraps	**14,900**	17,424
— Government grants	**24,998**	10,543
Other (losses)/gains — net		
— Gains on disposal of financial assets at fair value through profit or loss	**901**	545
— Gains from fair value change of financial assets at fair value through profit or loss	**2,972**	1,380
— (Losses)/gains on disposal of property, plant and equipment	**(1,471)**	489
— Net other foreign exchange (losses)/gains	**(27,537)**	30,209

9 FINANCE COSTS — NET

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Finance costs:		
— Interest expense on bank borrowings	**(13,834)**	(10,312)
— Lease liabilities *(Note 14)*	**(854)**	(971)
— Net foreign exchange gain on borrowings	**775**	—
	(13,913)	(11,283)
Less: amounts capitalised on qualifying assets	**949**	—
	(12,964)	(11,283)
Finance income:		
— Interest income derived from bank deposits	**9,108**	6,505
Finance costs — net	**(3,856)**	(4,778)

10 INCOME TAX EXPENSE

The amounts of tax expense charged/(credited) to the consolidated statements of profit or loss represent:

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Current income tax		
— PRC corporate income tax	**5,369**	12,463
— Hong Kong and overseas profits tax	**33,305**	13
Deferred income tax *(Note 25)*	**5,046**	(17,646)
Income tax expense	**43,720**	(5,170)

	Unaudited Six months ended 30 June	
	2026 **RMB'000**	2025 RMB'000
Profit before income tax	**457,423**	502,476
Tax calculated at applicable tax rates	**99,567**	102,536
Expenses not deductible for tax purpose	**3,071**	3,110
OECD Pillar Two model rules	**32,314**	—
Tax exemption of a subsidiary	**(59,243)**	(75,800)
Tax benefit from High and New-Technology Enterprise qualification	**(15,203)**	(22,036)
Additional deduction of research and development cost and other expense	**(17,260)**	(15,887)
Tax losses for which no deferred income tax asset was recognised	**1,011**	3,452
Utilisation of previously unrecognised tax losses	**(537)**	(545)
Tax charge/(credit)	**43,720**	(5,170)

Income tax expense is recognised based on the management's estimate of the annual income tax rate expected for the full financial year.

11 EARNINGS PER SHARE

(a) Basic

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

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit attributable to the shareholders of the Company	**413,744**	507,631
Weighted average number of ordinary shares in issue (thousands)	**634,645**	637,456
Basic earnings per share (RMB)	**0.65**	0.80

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Profit attributable to the shareholders of the Company	**413,744**	507,631
Weighted average number of ordinary shares in issue (thousands)	**634,645**	637,456
Adjustments for share options (thousands)	**–**	254
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**634,645**	637,710
Diluted earnings per share (RMB)	**0.65**	0.80

12 DIVIDENDS

	Unaudited Six months ended 30 June 2026 RMB'000	2025 RMB'000
Cash dividends paid by the Company *(a)*	–	293,282
Final dividends declared by the Company *(b)*	**277,665**	–

(a) Dividends paid during the six months ended 30 June 2025 represented cash dividends paid by the Company to its shareholders. The difference between the declared and paid dividends was due to the impact of exchange rate fluctuation.

(b) Dividends declared during the six months ended 30 June 2026 represented the approval by the shareholders at the annual general meeting of the Company on 22 June 2026 and have been reflected as an appropriation from the retained earnings account.

13 CAPITAL EXPENDITURE

	Unaudited							
	Property, plant and equipment							Intangible assets
	Land and buildings RMB'000	Machinery and factory equipment RMB'000	Furniture and fixtures RMB'000	Vehicles RMB'000	Tools RMB'000	Construction in progress RMB'000	Total RMB'000	Total RMB'000
Six months ended 30 June 2026								
Opening net book amount as at 1 January 2026	**1,415,927**	**3,153,019**	**17,556**	**11,692**	**199,297**	**259,199**	**5,056,690**	**78,535**
Additions	**–**	**–**	**787**	**179**	**–**	**273,586**	**274,552**	**1,505**
Transferred from Construction in progress	**110,105**	**173,122**	**1,449**	**845**	**8,956**	**(294,477)**	**–**	**–**
Disposals	**–**	**(1,304)**	**(53)**	**(252)**	**–**	**–**	**(1,609)**	**–**
Depreciation and amortisation *(Note 8)*	**(29,081)**	**(173,825)**	**(4,446)**	**(2,227)**	**(40,420)**	**–**	**(249,999)**	**(4,613)**
Exchange difference	**(32,878)**	**(61,092)**	**(173)**	**(18)**	**(2,977)**	**(284)**	**(97,422)**	**(15)**
Closing net book amount as at 30 June 2026	**1,464,073**	**3,089,920**	**15,120**	**10,219**	**164,856**	**238,024**	**4,982,212**	**75,412**
Six months ended 30 June 2025								
Opening net book amount as at 1 January 2025	1,467,744	3,353,045	23,391	14,874	206,816	184,008	5,249,878	83,635
Additions	1,054	13,774	2,012	–	680	140,182	157,702	1,355
Transferred from Construction in progress	300	63,964	365	59	17,271	(81,959)	–	–
Disposals	–	(2,381)	(80)	(248)	–	–	(2,709)	–
Depreciation and amortisation *(Note 8)*	(28,078)	(177,564)	(4,619)	(2,211)	(42,244)	–	(254,716)	(4,584)
Exchange difference	(4,516)	(7,920)	(31)	(4)	(417)	(191)	(13,079)	78
Closing net book amount as at 30 June 2025	1,436,504	3,242,918	21,038	12,470	182,106	242,040	5,137,076	80,484

14 LEASES

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Right-of-use assets		
— Land use rights	**125,656**	128,091
— Buildings	**40,851**	29,620
— Vehicles	**2,331**	—
	168,838	157,711
Lease liabilities		
Current		
— lease liabilities	**28,351**	23,180
Non-Current		
— lease liabilities	**13,952**	6,693
	42,303	29,873

The Group's land use rights are all located in the PRC.

The current and non-current portion of lease liabilities amounting to RMB4,254,000 and nil (31 December 2025: RMB8,369,000 and nil) represent amounts due to related parties respectively.

14 LEASES (Continued)

The statement of profit or loss shows the following amounts relating to leases:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Depreciation of right-of-use assets *(Note 8)*		
— Land use rights	**2,435**	2,270
— Buildings	**17,229**	14,702
— Vehicles	**935**	935
	20,599	17,907
Interest expense *(Note 9)*	**854**	971
Expense relating to short term leases	**578**	382

The total cash payment for leases during the period was RMB20,701,000.

15 INVENTORIES

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Raw materials	**435,838**	408,047
Work-in-progress	**129,635**	105,969
Finished goods	**1,242,958**	1,160,879
	1,808,431	1,674,895

Write-downs of inventories amounting to RMB13,330,000 were made for the six months ended 30 June 2026.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Financial assets at fair value through profit or loss		
— Wealth management products *(a)*	**139,000**	150,000
— Listed equity securities *(b)*	**6,262**	3,362
	145,262	153,362

	Unaudited Six months ended 30 June 2026 RMB'000
At the beginning of the period	**153,362**
Additions	**729,000**
Disposals	**(740,901)**
Gains on disposal of financial assets at fair value through profit or loss	**901**
Gains from fair value change of financial assets at fair value through profit or loss	**2,972**
Currency translation differences	**(72)**
At the end of the period	**145,262**

(a) The wealth management products are fair valued using a discounted cash flow approach. The main input used by the Group is estimated yield rate written in contract with the counterparty. The fair value is within level 3 of the fair value hierarchy (Note 5.3).

(b) The listed equity securities are fair valued based on the quoted market price.

17 TRADE AND NOTES RECEIVABLES

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Trade receivables	**2,108,514**	1,975,805
Less: provision for impairment of trade receivables	**(35,860)**	(30,304)
Trade receivables — net	**2,072,654**	1,945,501
Notes receivable	**559,451**	496,125
Trade and notes receivables — net	**2,632,105**	2,441,626

The carrying amounts of trade and notes receivables approximated their fair values as at the balance sheet date.

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade and notes receivables based on invoice date were as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Within 3 months	**2,373,499**	2,206,064
4 to 6 months	**239,646**	229,592
7 to 12 months	**21,423**	8,704
1 to 2 years	**14,420**	21,858
2 to 3 years	**13,265**	825
Over 3 years	**5,712**	4,887
	2,667,965	2,471,930

17 TRADE AND NOTES RECEIVABLES (Continued)

Movements on the Group's provision for impairment of trade receivables are as follows:

	Unaudited Six months ended 30 June 2026 RMB'000
At the beginning of the period	**30,304**
Provision for impairment of trade receivables *(Note 8)*	**6,063**
Trade receivables written off during the year as uncollectible	**(291)**
Foreign exchange gain	**(216)**
At the end of the period	**35,860**

18 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Non-current		
Prepayments for purchase of property, plant and equipment	**511,916**	83,188
Time deposits	**—**	30,000
	511,916	113,188
Current		
Prepayments for inventory	**63,963**	48,118
Time deposits	**30,000**	—
Other receivables	**30,117**	25,217
Other current assets		
— value added tax to be deducted	**264,401**	300,121
— prepaid income tax	**5,664**	30,381
	394,145	403,837
	906,061	517,025

19 SHARE CAPITAL AND SHARE PREMIUM

	Number of authorised shares
Authorised share capital:	
As at 1 January 2025, 31 December 2025 and 30 June 2026	1,000,000,000

	Number of issued shares	Nominal value of Ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Issued and fully paid:				
As at 31 December 2025 and 30 June 2026	638,645,000	203	2,203,372	2,203,575

20 SHARE-BASED PAYMENTS

20.1 Share option scheme

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 5 July 2019 (the "**2019 Adoption Date**"), the share option scheme (the "**2019 Share Option Scheme**") was adopted by the Company. The number of shares issuable pursuant to the 2019 Share Option Scheme was 16,000,000 shares, being approximately 2.5% of the total number of shares in issue on the 2019 Adoption Date.

On 9 July 2019 (the "**2019 Grant Date**"), the board of directors resolved to grant 14,400,000 shares of options to certain eligible employees under the 2019 Share Option Scheme, the exercise price is HKD7.24 per share. The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives. Assuming all the conditions for exercise of the share options are fulfilled in accordance with the 2019 Share Option Scheme, the proportion of 1/3, 1/3 and 1/3 of the share options may be exercised after the 12 months, 24 months, 36 months from the date of grant. Subject to the vesting schedule, options granted in 2019 under the 2019 Share Option Scheme are exercisable within a period of six years commencing from the grant date. Total fair value of options as at the 2019 Grant Date was determined to be HKD25,709,438, assuming the Company's annual performance objectives and personal performance objectives can be fulfilled.

20 SHARE-BASED PAYMENTS (Continued)

20.1 Share option scheme (Continued)

On 9 July 2020 (the "**2020 Grant Date**"), the board of directors resolved to grant 835,500 shares of options to certain eligible employees under the 2019 Share Option Scheme, the exercise price is HKD7.96 per share. The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives. Assuming all the conditions for exercise of the share options are fulfilled in accordance with the 2019 Share Option Scheme, the proportion of 1/2 and 1/2 of the share options may be exercised after the 12 months and 24 months from the date of grant. If the Options are not vested as the performance of the scheme participants in the first two vesting periods fails to meet the standards, in the event that the performance meets the standard upon the third annual assessment, the deferred vesting conditions are considered satisfied and the options granted may be exercised at any time after the third exercise period (i.e., after 36 months from the 2020 Grant Date), and the vesting proportion is the remaining unvested options after excluding the lapsed Options. Subject to the vesting schedule, options granted in 2020 under the 2019 Share Option Scheme are exercisable within a period of five years commencing from the grant date. Total fair value of options as at the 2020 Grant Date granted during year ended 31 December 2020 were determined to be HKD1,707,728, assuming the Company's annual performance objectives and personal performance objectives can be fulfilled.

Pursuant to an ordinary resolution passed at annual general meeting of the Company held on 17 May 2021 (the "**2021 Adoption Date**"), the current share option scheme (the "**2021 Share Option Scheme**") was adopted by the Company and replaced the 2019 Share option schemes. The number of shares issuable pursuant to the 2021 Share Option Scheme was 50,000,000 shares, being approximately 7.9% of the total number of shares in issue on the 2021 Adoption Date.

On 28 June 2021 (the "**2021 Grant Date**"), the board of directors resolved to grant 35,050,000 shares of options to certain eligible employees under the 2021 Share Option Scheme, the exercise price is HKD8.57 per share. The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives. Assuming all the conditions for exercise of the share options are fulfilled in accordance with the 2021 Share Option Scheme, the proportion of 35% and 65% of the share options may be exercised after the 36 months and 60 months from the date of grant. Subject to the vesting schedule, the 2021 Share Option Scheme are exercisable within a period of eight years commencing from the grant date.

On 28 September 2022 (the "**2022 Grant Date**"), the board of directors resolved to grant 3,080,000 shares of options to certain eligible employees under the 2021 Share Option Scheme, the exercise price is HKD8.57 per share. The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives. Assuming all the conditions for exercise of the share options are fulfilled in accordance with the 2021 Share Option Scheme, the proportion of 35% and 65% of the share options may be exercised after the 36 months and 60 months from the date of grant. Subject to the vesting schedule, the 2021 Share Option Scheme are exercisable within a period of approximately seven years commencing from the grant date.

20 SHARE-BASED PAYMENTS (Continued)

20.1 Share option scheme (Continued)

On 28 September 2023 (the "**2023 Grant Date**"), the board of directors resolved to grant 960,000 shares of options to certain eligible employees under the 2021 Share Option Scheme, the exercise price is HKD8.57 per share. The exercise of share options shall be conditional upon fulfilment of the Company's annual performance objectives and personal performance objectives. Assuming all the conditions for exercise of the share options are fulfilled in accordance with the 2021 Share Option Scheme, the proportion of 35% and 65% of the share options may be exercised after the 36 months and 60 months from the date of grant. Subject to the vesting schedule, the 2021 Share Option Scheme are exercisable within a period of approximately six years commencing from the grant date.

Set out below are summaries of options granted under the plan:

	Unaudited			
	30 June 2026		30 June 2025	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 January	–	–	HKD8.28	22,658,345
Granted during the period	–	–	—	—
Exercised during the period	–	–	HKD7.24	(1,238,000)
Lapsed during the period	–	–	HKD8.37	(564,449)
Forfeited during the period	–	–	—	—
As at 30 June	–	–	HKD8.34	20,855,896

20.2 Share award scheme

Pursuant to an ordinary resolution passed at annual general meeting of the Company held on 31 May 2024 (the "**2024 Adoption Date**"), the share award scheme (the "**2024 Share Award Scheme**") was adopted by the Company. The number of shares issuable pursuant to the 2024 Share Award Scheme was 4,200,000 shares, being approximately 0.65% of the total number of shares in issue on the 2024 Adoption Date.

20 SHARE-BASED PAYMENTS (Continued)

20.2 Share award scheme (Continued)

On 30 December 2024 (the "**2024 Grant Date**"), the board of directors resolved to grant 1,360,000 awarded shares to certain selected employees under the 2024 Share Award Scheme, the purchase price of the awarded shares is HKD0.00 per share. Assuming all the conditions for vest of the awarded shares are fulfilled in accordance with the 2024 Share Award Scheme, the proportion of 30%, 30% and 40% of the awarded shares may be vested after the 36 months, 48 months and 60 months from the date of grant. Subject to the vesting schedule, the 2024 Share Award Scheme are vested within a period of five years commencing from the grant date. Total fair value of shares as at the 2024 Grant Date granted during year ended 31 December 2024 were determined to be HKD10,036,800, assuming the full conditions can be fulfilled. As at 31 December 2025, due to employee resignation, 100,000 awarded shares granted have been lapsed.

On 16 December 2025 (the "**2025 Grant Date**"), the board of directors resolved to grant 1,260,000 awarded shares to certain selected employees under the 2024 Share Award Scheme, the purchase price of the awarded shares is HKD0.00 per share. Assuming all the conditions for vest of the awarded shares are fulfilled in accordance with the 2024 Share Award Scheme, the proportion of 30%, 30% and 40% of the awarded shares may be vested after the 24 months, 36 months and 48 months from the date of grant. Subject to the vesting schedule, the 2024 Share Award Scheme are vested within a period of four years commencing from the grant date. Total fair value of shares as at the 2024 Grant Date granted during year ended 31 December 2025 were determined to be HKD9,765,000, assuming the full conditions can be fulfilled. As at 30 June 2026, due to employee resignation, 320,000 awarded shares granted have been lapsed.

As at 30 June 2026, employee benefit expense of amounting to RMB2,312,000 for the above share award scheme is recognised in profit or loss with a corresponding increase in equity.

Set out below are summaries of share award granted under the plan:

	2026		2025	
	Price per share award	**Number of share award**	Price per share award	Number of share award
As at 1 January	**HKD0.00**	**2,520,000**	HKD0.00	1,360,000
Granted during the year	**HKD0.00**	**—**	HKD0.00	—
Lapsed during the year	**HKD0.00**	**(320,000)**	HKD0.00	—
As at 30 June	**HKD0.00**	**2,200,000**	HKD0.00	1,360,000
Vested and exercisable at 30 June		**—**		—

21 TREASURY SHARES AND RESERVES

(a) Treasury shares

	2026 Shares	2025 Shares	**2026 RMB'000**	2025 RMB'000
Treasury shares	**(4,000,000)**	(4,000,000)	**(27,438)**	(27,438)

These shares are shares in the Company that are held by the Employee Share Trust for the purpose of issuing shares under the 2024 Share Award Scheme.

Details	**Number of shares**	**RMB'000**
Opening balance 1 January 2025	—	—
Acquisition of shares by the Trust	(4,000,000)	(27,438)
Employee share scheme issue	—	—
Balance 31 December 2025	(4,000,000)	(27,438)
Acquisition of shares by the Trust	—	—
Employee share scheme issue	—	—
Balance 30 June 2026	(4,000,000)	(27,438)

(i) On June 13, 2025, the Board of Directors has announced that the Board has considered and approved the proposal of the Company or its designated persons (including its subsidiaries) to pay the trustee a maximum cash amount of HKD35 million to cover the purchase price or necessary expenses of the shares already granted and to be granted under the 2024 Share award scheme. The cash amount will be paid in instalments using their own funds by the company or designated personnel of the company (including its subsidiaries), and the relevant funds will form part of the trust assets.

After taking into account stock price fluctuations and necessary transaction costs, and based on the share limit granted under the 2024 Share award scheme, the directors believe that the payment of cash to the trustee is made on general commercial terms, fair and reasonable, and in the overall interests of the company and shareholders.

21 TREASURY SHARES AND RESERVES (Continued)

(b) Reserves

	Capital reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Share option reserves RMB'000	Total RMB'000
Balance at 1 January 2026	**(70,715)**	**660,443**	**1,842**	**4,416,085**	**5,663**	**5,013,318**
Profit for the period	**–**	**–**	**–**	**413,744**	**–**	**413,744**
Cash dividends *(Note 12)*	**–**	**–**	**–**	**(277,665)**	**–**	**(277,665)**
Employee share option schemes						
— value of employee services	**–**	**–**	**–**	**–**	**2,312**	**2,312**
Currency translation differences	**–**	**–**	**(163,364)**	**–**	**–**	**(163,364)**
Balance at 30 June 2026	**(70,715)**	**660,443**	**(161,522)**	**4,552,164**	**7,975**	**4,988,345**
Balance at 1 January 2025	(70,715)	618,479	94,691	3,663,773	43,613	4,349,841
Profit for the period	–	–	–	507,631	–	507,631
Cash dividends *(Note 12)*	–	–	–	(293,282)	–	(293,282)
Employee share option schemes						
— value of employee services	–	–	–	–	9,407	9,407
— issue of shares	–	–	–	–	(1,919)	(1,919)
Currency translation differences	–	–	(9,636)	–	–	(9,636)
Balance at 30 June 2025	(70,715)	618,479	85,055	3,878,122	51,101	4,562,042

22 BANK BORROWINGS

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Current		
Current portion of non-current bank borrowings		
— Secured	**14,000**	30,000
— Unsecured	**192,725**	143,175
	206,725	173,175
Short-term bank borrowings		
— Unsecured	**27,491**	118,266
	234,216	291,441
Non-current		
Bank borrowings		
— Secured	**15,000**	190,000
— Unsecured	**393,322**	201,500
	408,322	391,500
Total borrowings	**642,538**	682,941

As at 30 June 2026, the secured bank borrowings of RMB29,000,000 were secured by certain property, plant and equipment amounting to RMB92,946,000.

As at 31 December 2025, the secured bank borrowings of RMB220,000,000 were secured by certain property, plant and equipment amounting to RMB98,330,000.

As at 30 June 2026, the weighted average effective interest rates on borrowings from banks were 2.53% (31 December 2025: 2.70%).

22 BANK BORROWINGS (Continued)

The carrying amounts of the Group's bank borrowings were denominated in the following currencies:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
RMB	**615,047**	654,675
MYR	**27,491**	28,266
	642,538	682,941

23 TRADE PAYABLES

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Accounts payable	**1,375,176**	1,216,573
Notes payable *(a)*	**668,549**	796,062
	2,043,725	2,012,635

(a) As at 30 June 2026, RMB668,549,000 (2025: RMB796,062,000) notes payable represented bank acceptance notes secured by certain restricted bank balances RMB52,265,000, notes receivable balances RMB89,426,000 and time deposits RMB30,000,000 (2025: RMB59,271,000, 82,852,000 and nil).

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade payables based on invoice date were as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Within 3 months	**2,012,411**	1,464,419
4 to 6 months	**6,682**	438,610
7 to 12 months	**7,468**	31,066
Over 1 year	**17,164**	78,540
	2,043,725	2,012,635

24 OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Payables for purchase of property, plant and equipment	**333,036**	274,321
Accrued expense	**247,565**	253,234
Payroll and employee benefit payables	**235,531**	291,766
Accrued sales rebates and commission	**138,988**	131,283
Freights and custom duty payable	**133,695**	139,528
Deposit from customers and suppliers	**38,611**	38,978
Other tax payables	**19,198**	25,617
Interest payables	**403**	529
Other payables	**49,657**	46,957
	1,196,684	1,202,213

25 DEFERRED INCOME TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Deferred tax assets:		
— Deferred tax assets to be recovered within 12 months	**28,913**	35,046
— Deferred tax assets to be recovered after more than 12 months	**15,574**	11,451
Set-off of deferred tax liabilities pursuant to set-off provisions	**(43,137)**	(45,104)
Deferred tax assets, net	**1,350**	1,393
Deferred tax liabilities:		
— Deferred tax liabilities to be settled within 12 months	**(9,488)**	(16,525)
— Deferred tax liabilities to be settled after more than 12 months	**(94,628)**	(84,555)
Set-off of deferred tax assets pursuant to set-off provisions	**43,137**	45,104
Deferred tax liabilities, net	**(60,979)**	(55,976)

25 DEFERRED INCOME TAX (Continued)

	Unaudited Six months ended 30 June 2026 RMB'000
At the beginning of period	**(54,583)**
Charged to the consolidated statement of profit or loss *(Note 10)*	**(5,046)**
At the end of period	**(59,629)**

26 CAPITAL COMMITMENTS

The capital commitments of the Group as at the respective balance sheet dates were as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Purchase of property, plant and equipment		
— Contracted but not provided for	**1,626,311**	745,288

27 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

Save as disclosed elsewhere in the interim condensed consolidated financial information, the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the six months ended 30 June 2026 and 2025, and balances arising from related party transactions as at 30 June 2026 and 31 December 2025.

Name and relationship with related parties are set out below:

Related party	Relationship
Chengshan Group	Immediate holding company
China National Heavy Duty Truck Group Co., Ltd. and its subsidiaries (referred as "**Sinotruk**")	Ultimate parent company of Sinotruk (Hong Kong) Capital Holding Limited, a shareholder of the Company
Rongcheng Chengshan Properties Co., Ltd.	Entity controlled by immediate holding company
Rongcheng Chengshan Energy-Saving Services Co., Ltd.	Entity controlled by immediate holding company
Yunnan Prinx Chengshan Tire Co., Ltd.	An associated company of the Group, established on 12 July 2018, 22% equity interest attributable to the Group
Hebei Prinx Chengshan Tire Co., Ltd.	An associated company of the Group, established on 30 August 2019, 39% equity interest attributable to the Group
Guangdong Prinx Chengshan Tire Trading Co., Ltd.	An associated company of the Group, established on 26 October 2023, 40% equity interest attributable to the Group
Sino Legend (China) Chemical Company Ltd.	Parent company of Sino Legend Holding Group Limited, a shareholder of the Company
RACHEM (CHINA) CO., LTD.	An entity under same control with Sino Legend Holding Group Limited, a shareholder of the Company

27 RELATED PARTY TRANSACTIONS (Continued)

The English names of certain companies referred to in these condensed consolidated interim financial information represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

(a) Transactions with related parties

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Continuing transactions		
(i) Purchase of utilities		
— Chengshan Group	**105,736**	100,969
(ii) Purchase of raw materials		
— Sino Legend (China) Chemical Company Ltd.	**17,721**	16,348
— RACHEM (CHINA) CO., LTD.	**11,499**	7,523
	29,220	23,871
(iii) Sale of goods		
— Sinotruk	**368,388**	251,812
— Hebei Prinx Chengshan Tire Co., Ltd.	**35,300**	26,603
— Guangdong Prinx Chengshan Tire Trading Co., Ltd.	**24,561**	6,781
— Yunnan Prinx Chengshan Tire Co., Ltd.	**14,294**	10,767
	442,543	295,963
(iv) Rental and estate management expenses paid and payable		
— Chengshan Group	**4,115**	4,323
— Rongcheng Chengshan Properties Co., Ltd.	**3,268**	3,208
— Guangdong Prinx Chengshan Tire Trading Co., Ltd.	**911**	—
	8,294	7,531
(v) Service received		
— Rongcheng Chengshan Energy-Saving Services Co., Ltd.	**5,033**	4,760

The related party transactions above were carried out on terms mutually agreed between the parties. In the opinion of the directors of the Company, these transactions are in the ordinary courses of business of the Group and in accordance with the terms of the underlying agreements.

27 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

(i) Amounts due from related parties

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Current		
Trade balances		
— Sinotruk	**486,115**	511,274
— Hebei Prinx Chengshan Tire Co., Ltd.	**26,122**	24,318
— Guangdong Prinx Chengshan Tire trading Co., Ltd.	**19,730**	12,787
	531,967	548,379
Other receivables		
— Yunnan Prinx Chengshan Tire Co., Ltd.	**5,000**	5,000
	536,967	553,379

The ageing analysis of trade receivables from related parties based on invoice date at respective dates of statement of financial position were as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
1–3 months	**500,504**	551,046
4–6 months	**36,463**	2,333
	536,967	553,379

27 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

(ii) Amounts due to related parties

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Current		
Contract liabilities		
— Guangdong Prinx Chengshan Tire trading Co., Ltd.	**77**	6
— Yunnan Prinx Chengshan Tire Co., Ltd.	**65**	87
— Hebei Prinx Chengshan Tire Co., Ltd.	**50**	751
	192	844
Trade payables and other payables		
— Sino Legend (China) Chemical Company Ltd.	**15,861**	8,103
— RACHEM (CHINA) CO., LTD.	**8,889**	6,159
— Chengshan Group	**4,210**	3,440
— Rongcheng Chengshan Energy-Saving Services Co., Ltd.	**889**	889
— Rongcheng Chengshan Properties Co., Ltd.	**858**	535
— Guangdong Prinx Chengshan Tire trading Co., Ltd.	**666**	537
	31,373	19,663
	31,565	20,507
Non-current		
Loan from related party		
— Chengshan Group	**230,000**	230,000

As at 30 June 2026, the loans from related parties are borrowings from Chengshan Group, with a fixed interest rate of 3% and a term of three years.

27 RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

(ii) Amounts due to related parties (Continued)

The carrying amounts of the Group's amount due to related parties are denominated in the following currencies:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
RMB	**261,565**	250,507

The ageing analysis of trade payables to related parties at respective dates of statement of financial position were as follows:

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
1–3 months	**31,565**	20,507
2–3 years	**230,000**	230,000
	261,565	250,507

(iii) Lease liabilities

	Unaudited 30 June 2026 RMB'000	Audited 31 December 2025 RMB'000
Current		
— Chengshan Group	**4,254**	8,369

28 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no events to cause material impact on the Group from the balance sheet date to the date of this report that should be disclosed.

By order of the Board
Prinx Chengshan Holdings Limited
Che Hongzhi
Chairman and Non-executive Director

Shandong, the PRC, 18 August 2026

As at the date of this announcement, the Board comprises Mr. Che Baozhen, Mr. Shi Futao and Mr. Jiang Xizhou as executive directors; Mr. Che Hongzhi, Ms. Wang Ning and Mr. Shao Quanfeng as non-executive directors; Mr. Jin Qingjun, Mr. Wang Chuansheng and Mr. Chan Chi Fung, Leo as independent non-executive directors.