慶鈴汽車股份有限公司

Qingling Motors Co. Ltd

(A Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China ("PRC") with limited liability)

Stock Code: 1122

2026 Interim Report

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PAN-CHINA
天健國際會計師事務所有限公司
Confucius International CPA Limited
Certified Public Accountants

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TO THE BOARD OF DIRECTORS OF QINGLING MOTORS CO. LTD
(A Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Qingling Motors Co. Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 3 to 43, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements, including material accounting policy information. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Confucius International CPA Limited
Certified Public Accountants
Tsang Kwong Kin
Practising Certificate Number: P07368

Hong Kong
28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	NOTES	**2026 RMB'000 (unaudited)**	2025 RMB'000 (unaudited)
Revenue	3	**1,745,701**	2,072,472
Cost of Sales		**(1,624,214)**	(1,933,730)
Gross profit		**121,487**	138,742
Other income		**85,732**	132,110
Other expenses		**(819)**	(1,815)
Net impairment losses on financial assets		**(6,115)**	(513)
Other gains and losses, net		**1,643**	(2,366)
Distribution and selling expenses		**(96,663)**	(110,025)
Administrative expenses		**(97,582)**	(90,841)
Research expenses		**(97,064)**	(93,448)
Finance costs		**(3,563)**	(2,111)
Share of results of associate		**12**	159
Share of results of joint ventures		**3,228**	3,984
Loss before tax	4	**(89,704)**	(26,124)
Income tax credit (expense)	5	**1,640**	(5,225)
Loss and total comprehensive expense for the period		**(88,064)**	(31,349)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		**(90,888)**	(35,530)
Non-controlling interests		**2,824**	4,181
		(88,064)	(31,349)
		RMB cents	RMB cents
Basic loss per share	7	**(3.66)**	(1.43)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTES	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	8	**1,270,242**	1,271,362
Right-of-use assets		**60,945**	28,770
Investment properties		**18,032**	18,168
Intangible assets		**87,364**	103,742
Right to returned goods asset		**10,206**	8,664
Interests in associate		**7,407**	7,395
Interests in joint ventures		**488,665**	484,673
Deferred tax assets		**43,891**	41,333
Time deposits	10	**51,874**	106,579
Trade and other receivables	9	**660,419**	674,909
Finance lease receivables		**424**	1,743
Deposit paid for property, plant and equipment		**643**	694
		2,700,112	2,748,032
Current assets			
Inventories		**1,177,615**	1,038,619
Trade, bills and other receivables and prepayments	9	**2,306,348**	2,384,480
Time deposits	10	**3,684,873**	3,168,148
Cash and cash equivalents		**1,051,231**	1,203,073
Finance lease receivables		**144**	505
		8,220,211	7,794,825

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2026

	NOTE	At 30 June 2026 RMB'000 (unaudited)	At 31 December 2025 RMB'000 (audited)
Current liabilities			
Trade, bills and other payables	11	**3,231,206**	2,707,226
Tax liabilities		**26**	1,208
Contract liabilities		**139,432**	259,005
Refund liabilities		**48,058**	51,558
Lease liabilities		**20,022**	7,468
		3,438,744	3,026,465
Net current assets		**4,781,467**	4,768,360
Total assets less current liabilities		**7,481,579**	7,516,392
Capital and reserves			
Share capital		**2,482,268**	2,482,268
Share premium and reserves		**4,770,659**	4,834,122
Equity attributable to owners of the Company		**7,252,927**	7,316,390
Non-controlling interests		**183,775**	180,951
Total equity		**7,436,702**	7,497,341
Non-current liabilities			
Lease liabilities		**26,193**	5,846
Deferred income – government grants		**7,694**	2,816
Refund liabilities		**10,990**	10,389
		44,877	19,051
		7,481,579	7,516,392

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Statutory surplus reserve fund	Discretionary surplus reserve fund	Special reserve	Retained profits	Subtotal		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026 (audited)	**2,482,268**	**1,764,905**	**571,200**	**1,236,497**	**2,347**	**1,801**	**1,257,372**	**7,316,390**	**180,951**	**7,497,341**
Loss and total comprehensive expense for the period	**-**	**-**	**-**	**-**	**-**	**-**	**(90,888)**	**(90,888)**	**2,824**	**(88,064)**
Capital injection from ultimate controlling party of the Company	**-**	**-**	**27,327**	**-**	**-**	**-**	**-**	**27,327**	**-**	**27,327**
Share of equity changes of a joint venture	**-**	**-**	**98**	**-**	**-**	**-**	**-**	**98**	**-**	**98**
Transfer	**-**	**-**	**-**	**-**	**-**	**1,063**	**(1,063)**	**-**	**-**	**-**
At 30 June 2026 (unaudited)	**2,482,268**	**1,764,905**	**598,625**	**1,236,497**	**2,347**	**2,864**	**1,165,421**	**7,252,927**	**183,775**	**7,436,702**

For the six months ended 30 June 2025

	Share capital	Share premium	Capital reserve	Statutory surplus reserve fund	Discretionary surplus reserve fund	Special reserve	Retained profits	Subtotal	Non-controlling interests	Total
At 1 January 2025 (audited)	2,482,268	1,764,905	571,200	1,236,497	2,347	1,268	1,284,221	7,342,706	177,399	7,520,105
Loss and total comprehensive expense for the period	–	–	–	–	–	–	(35,530)	(35,530)	4,181	(31,349)
Transfer	–	–	–	–	–	1,176	(1,176)	–	–	–
At 30 June 2025 (unaudited)	2,482,268	1,764,905	571,200	1,236,497	2,347	2,444	1,247,515	7,307,176	181,580	7,488,756

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Operating activities		
Operating cash flows before movements in working capital	**(41,546)**	(22,826)
(Increase) decrease in inventories	**(138,996)**	184,451
Decrease (increase) in trade, bills and other receivables and prepayments	**78,819**	(356,091)
Increase (decrease) in trade, bills and other payables	**523,980**	(87,309)
Decrease in contract liabilities	**(119,573)**	(3,557)
Decrease in refund liabilities	**(3,500)**	(14,729)
Other operating activities	**2,778**	(3,264)
Net cash from (used in) operating activities	**301,962**	(303,325)
Investing activities		
Purchases of property, plant and equipment	**(44,073)**	(66,117)
Purchases of intangible assets	**–**	(42)
Withdrawal of time deposits	**4,387,501**	1,705,000
Placement of time deposits	**(5,011,100)**	(1,385,000)
Interest received	**199,352**	51,155
Proceeds on disposal of property, plant and equipment	**167**	–
Advances to Qingling Group (as defined in Note 9)	**(145,744)**	(128,209)
Repayments of advance to Qingling Group	**145,744**	128,209
Net cash (used in) from investing activities	**(468,153)**	304,996

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2026

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Financing activities		
Repayments of lease liabilities	**(11,992)**	(10,076)
Payments of interest expense	**(867)**	(1,019)
Capital injection from ultimate controlling party of the Company	**27,327**	–
Net cash from (used in) financing activities	**14,468**	(11,095)
Net decrease in cash and cash equivalents	**(151,723)**	(9,424)
Cash and cash equivalents at 1 January	**1,203,073**	688,304
Effect of foreign exchange rate changes	**(119)**	58
Cash and cash equivalents at 30 June, represented by cash and cash equivalents	**1,051,231**	678,938

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as the applicable disclosure requirements of Appendix D2 to the Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

2. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the annual consolidated financial statements of Qingling Motors Co. Ltd (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

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

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION

i. Disaggregation of revenue from contracts with customers

The Group's revenue represents sales of trucks, chassis, automobile parts, accessories and others to external customers, which are recognised at a point in time. The following is an analysis of the Group's revenue from its major products:

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Types of goods		
Sales of light-duty trucks	**742,038**	932,672
Sales of pick-up trucks	**191,398**	261,801
Sales of medium and heavy-duty trucks	**426,908**	489,612
Sales of chassis	**206,938**	170,909
Sales of automobile parts, accessories and others	**178,419**	217,478
Total	**1,745,701**	2,072,472

Except for export sales to countries outside the People's Republic of China (the "PRC") amounting to RMB60,261,000 (unaudited) (six months ended 30 June 2025: RMB71,728,000 (unaudited)), all other sales of the Group are made to customers located in the PRC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

i. Disaggregation of revenue from contracts with customers (Continued)

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

	Light-duty trucks and chassis *RMB'000* (unaudited)	Pick-up trucks and chassis *RMB'000* (unaudited)	Medium and heavy-duty trucks and chassis *RMB'000* (unaudited)	Automobile parts, accessories and others *RMB'000* (unaudited)	Consolidated *RMB'000* (unaudited)
Six months ended 30 June 2026					
Sales of light-duty trucks	**742,038**	–	–	–	**742,038**
Sales of pick-up trucks	–	**191,398**	–	–	**191,398**
Sales of medium and heavy-duty trucks	–	–	**426,908**	–	**426,908**
Sales of chassis	**199,531**	–	**7,407**	–	**206,938**
Sales of automobile parts, accessories and others	–	–	–	**178,419**	**178,419**
Revenue	**941,569**	**191,398**	**434,315**	**178,419**	**1,745,701**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

i. Disaggregation of revenue from contracts with customers (Continued)

	Light-duty trucks and chassis *RMB'000* (unaudited)	Pick-up trucks and chassis *RMB'000* (unaudited)	Medium and heavy-duty trucks and chassis *RMB'000* (unaudited)	Automobile parts, accessories and others *RMB'000* (unaudited)	Consolidated *RMB'000* (unaudited)
Six months ended 30 June 2025					
Sales of light-duty trucks	932,672	–	–	–	932,672
Sales of pick-up trucks	–	261,801	–	–	261,801
Sales of medium and heavy-duty trucks	–	–	489,612	–	489,612
Sales of chassis	160,306	–	10,603	–	170,909
Sales of automobile parts, accessories and others	–	–	–	217,478	217,478
Revenue	1,092,978	261,801	500,215	217,478	2,072,472

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information

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

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information (Continued)

Segment revenue and results

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

Six months ended 30 June 2026

	Light-duty trucks and chassis *RMB'000* (unaudited)	Pick-up trucks and chassis *RMB'000* (unaudited)	Medium and heavy-duty trucks and chassis *RMB'000* (unaudited)	Automobile parts, accessories and others *RMB'000* (unaudited)	Consolidated *RMB'000* (unaudited)
Segment revenue	941,569	191,398	434,315	178,419	1,745,701
Result					
Segment (loss) profit	(45,179)	(19,230)	4,341	31,862	(28,206)
Central administration costs					(44,552)
Other income					85,732
Other expenses					(819)
Net impairment losses on financial assets					(6,115)
Other gains and losses, net					1,643
Research expenses					(97,064)
Finance costs					(3,563)
Share of results of associate					12
Share of results of joint ventures					3,228
Loss before tax					(89,704)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information (Continued)

Segment revenue and results (Continued)

Six months ended 30 June 2025

	Light-duty trucks and chassis *RMB'000* (unaudited)	Pick-up trucks and chassis *RMB'000* (unaudited)	Medium and heavy-duty trucks and chassis *RMB'000* (unaudited)	Automobile parts, accessories and others *RMB'000* (unaudited)	Consolidated *RMB'000* (unaudited)
Segment revenue	1,092,978	261,801	500,215	217,478	2,072,472
Result					
Segment profit (loss)	10,620	(25,160)	(48,575)	60,841	(2,274)
Central administration costs					(37,350)
Other income					109,610
Other expenses					(1,815)
Net impairment losses on financial assets					(513)
Other gains and losses, net					(2,366)
Research expenses					(93,448)
Finance costs					(2,111)
Share of results of associate					159
Share of results of joint ventures					3,984
Loss before tax					(26,124)

There have been no inter-segment sales during the six months ended 30 June 2026 and 2025 (unaudited).

Segment profit (loss) represents the profit earned by (loss incurred from) each segment without allocation of central administration costs, other income, other expenses, net impairment losses on financial assets, other gains and losses, net, research expenses, finance costs, share of results of associate and share of results of joint ventures. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information (Continued)

Segment assets and liabilities

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

As at 30 June 2026

	Light-duty trucks and chassis *RMB'000* (unaudited)	Pick-up trucks and chassis *RMB'000* (unaudited)	Medium and heavy-duty trucks and chassis *RMB'000* (unaudited)	Automobile parts, accessories and others *RMB'000* (unaudited)	Consolidated *RMB'000* (unaudited)
Assets					
Segment assets	1,905,194	768,548	650,590	775,168	4,099,500
Interchangeably used assets between segments					
– Property, plant and equipment					371,322
– Right-of-use assets					60,945
– Inventories					542,295
Investment properties					18,032
Interests in associate					7,407
Interests in joint ventures					488,665
Cash and cash equivalents and time deposits					4,787,978
Other unallocated assets					544,179
Consolidated total assets					10,920,323
Liabilities					
Segment liabilities	175,876	31,892	59,438	39,654	306,860
Unallocated trade, bills and other payables					3,121,956
Lease liabilities					46,215
Other unallocated liabilities					8,590
Consolidated total liabilities					3,483,621

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information (Continued)

Segment assets and liabilities (Continued)

As at 31 December 2025

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

3. REVENUE/SEGMENT INFORMATION (CONTINUED)

ii. Segment information (Continued)

Segment assets and liabilities (Continued)

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

- All assets are allocated to operating and reportable segments other than interchangeably used assets between segments, investment properties, interests in associate, interests in joint ventures, cash and cash equivalents and time deposits and other unallocated assets held by the head office; and

- All liabilities are allocated to operating and reportable segments other than unallocated trade, bills and other payables, lease liabilities and other unallocated liabilities of the head office.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

4. LOSS BEFORE TAX

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before tax has been arrived at after charging (crediting):		
Salaries and other payments and benefits	**143,605**	146,379
Retirement benefits scheme contributions	**22,414**	24,008
Total staff costs (including directors' and supervisors' remuneration)	**166,019**	170,387
Staff costs capitalised in inventories	**(68,740)**	(72,101)
	97,279	98,286
Loss on disposal of property, plant and equipment, net	**30**	641
Amortisation of intangible assets	**16,378**	21,135
Depreciation of property, plant and equipment	**44,992**	39,218
Depreciation of right-of-use assets	**12,718**	11,073
Total depreciation	**57,710**	50,291
Capitalised in inventories	**(29,031)**	(31,785)
	28,679	18,506

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

4. LOSS BEFORE TAX (CONTINUED)

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Finance costs of lease liabilities	**868**	1,019
Finance costs of acceptance of bills	**2,695**	1,093
Depreciation of investment properties	**140**	141
Expenses relating to short-term leases	**–**	3,515
Net foreign exchange loss	**(1,454)**	1,995
Cost of inventories recognised as an expense	**1,624,214**	1,933,730
Subsequent sales of written-down inventories	**–**	(19,616)
Interest income from time deposits and bank balances	**(38,195)**	(59,653)
Rental income from renting of investment properties	**(2,105)**	(2,254)
Less: Direct operating expenses from investment properties that generated rental income during the period	**140**	410
	(1,965)	(1,844)
Rental income from renting of equipment	**(27,379)**	(22,594)
Miscellaneous service income	**(1,012)**	(2,663)
Miscellaneous service expenses	**783**	1,594
Government grants, including release from deferred income *(Note (a))*	**(7,431)**	(23,268)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

4. LOSS BEFORE TAX (CONTINUED)

Note:

(a) The government grants mainly comprise the special funds for innovative development projects, which is compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the six months ended 30 June 2026, the Group recognised grants of RMB4,000,000 (unaudited) (six months ended 30 June 2025: RMB22,500,000 (unaudited)) related to hydrogen fuel cell vehicle research and development.

During the six months ended 30 June 2026, RMB367,000 (unaudited) (six months ended 30 June 2025: RMB366,000 (unaudited)) was released to profit or loss from deferred income.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of research expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

5. INCOME TAX CREDIT (EXPENSE)

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current tax	**(298)**	(804)
Under provision in respect of prior years	**(620)**	(654)
Deferred tax	**2,558**	(3,767)
	1,640	(5,225)

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

Under the Laws of the PRC on the Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the remaining PRC subsidiaries are 20% for the six months ended 30 June 2026 (six months ended 30 June 2025: 20%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

6. DIVIDENDS

No dividend were paid, declared or proposed during the interim period (six months ended 30 June 2025: nil).

The directors of the Company have determined that no dividend will be paid in respect of the interim period (six months ended 30 June 2025: nil).

7. LOSS PER SHARE

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

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss		
Loss for the purpose of basic loss per share		
Loss and total comprehensive expense for the period attributable to owners of the Company	**(90,888)**	(35,530)

	2026	2025
	'000	*'000*
Number of shares		
Number of shares for the purpose of basic loss per share	**2,482,268**	2,482,268

No diluted loss per share were presented as there were no potential ordinary shares in issue in both periods presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

8. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group acquired property, plant and equipment of RMB44,073,000 (unaudited) (six months ended 30 June 2025: RMB66,117,000 (unaudited)) mainly for constructions in progress, and disposed of property, plant and equipment with an aggregate carrying amount of RMB197,000 (unaudited) (six months ended 30 June 2025: RMB641,000 (unaudited)).

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

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

	At 30 June 2026 *RMB'000* **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Trade receivables, less allowance for credit losses	**1,776,060**	1,663,263
Bills receivables	**683,527**	922,124
Other receivables, less allowance for credit losses	**53,631**	44,205
Prepayments for raw materials	**44,578**	20,826
Grant receivable, less allowance for credit losses *(Note)*	**408,971**	408,971
	2,966,767	3,059,389
Less: Non-current – trade receivables	**(658,810)**	(674,519)
Non-current – other receivables	**(1,609)**	(390)
	2,306,348	2,384,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

	At 30 June 2026 *RMB'000* **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Trade receivables comprise:		
Within one year	**1,117,250**	988,744
Within a period of more than one year but not exceeding five years	**658,810**	674,519
	1,776,060	1,663,263

Note:

As at 30 June 2026 and 31 December 2025, there was reasonable assurance that the Group will comply with the conditions attached and the grants under the hydrogen fuel cell vehicles subsidies and special funds for innovative development projects. Hence a grant receivable was recognised as at 30 June 2026 and 31 December 2025.

The credit period granted on sales of goods is mainly from 3 to 6 months except for the subsidiaries of 慶鈴汽車(集團)有限公司 ("Qingling Group", the ultimate holding company of the Company), to which a credit period of 1 year is granted.

Since last year, the Company has entered into contracts with several customers in structured installment payment methods, each with a fixed term of 5 years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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

	At 30 June 2026 *RMB'000* **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Within 3 months	**271,923**	580,001
Between 3 to 6 months	**141,930**	143,046
Between 7 to 12 months	**535,553**	297,604
Over 1 year	**826,654**	642,612
	1,776,060	1,663,263

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

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

	At 30 June 2026 ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Within 1 month	**96,367**	275,235
Between 1 to 2 months	**77,156**	148,142
Between 2 to 3 months	**186,195**	106,395
Between 3 to 6 months	**323,809**	392,352
	683,527	922,124

The amount of RMB683,147,000 (unaudited) (year ended 31 December 2025: RMB922,124,000 (audited)) of above bills receivables are guaranteed by banks and their maturity dates are within 12 months.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Included in the Group's trade and other receivables and prepayments at the end of the reporting period are amounts due from related parties, which are trade in nature, as follows:

	At 30 June 2026 ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Joint ventures of the Group		
– 慶鈴五十鈴（重慶）汽車銷售服務有限公司（"Qingling Isuzu Sales"）	**164,510**	162,361
– 五十鈴（中國）發動機有限公司 ("Isuzu Engine")	**1,954**	–
Qingling Group and its subsidiaries	**127,480**	95,002
Isuzu Motors Limited ("Isuzu")	**155**	317
博世氫動力系統（重慶）有限公司 ("Bosch") *(Note a)*	**70,641**	64,905
	364,740	322,585

Note:

(a) 40% equity interest of which is owned by Qingling Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

10. TIME DEPOSITS

The time deposits are with a term from more than 3 months to 36 months (unaudited) (31 December 2025: from more than 3 months to 36 months (audited)) and carry interest at rates ranging from 0.75% to 3.45% (unaudited) (31 December 2025: from 1.60% to 3.45% (audited)) per annum.

11. TRADE, BILLS AND OTHER PAYABLES

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

	At 30 June 2026 ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Trade and bills payables	**3,004,185**	2,408,559
Selling expenses payables	**86,693**	98,545
Other tax payables	**17,152**	39,059
Other payables	**123,176**	161,063
	3,231,206	2,707,226

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

11. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

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

	At 30 June 2026 ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Within 3 months	**2,144,917**	2,063,524
Between 3 to 6 months	**720,604**	340,962
Between 7 to 12 months	**136,322**	504
Over 12 months	**2,342**	3,569
	3,004,185	2,408,559

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

11. TRADE, BILLS AND OTHER PAYABLES (CONTINUED)

Included in the balance of trade, bills and other payables at the end of the reporting period are amounts to related parties as follows:

	At 30 June 2026 ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Joint ventures of the Group		
– Qingling Isuzu Sales	**1,804**	–
– Isuzu Engine	**652,372**	351,715
Isuzu	**14,679**	18,111
Qingling Group and its subsidiaries	**219,023**	142,011
Bosch	**11,808**	14,810
	899,686	526,647

The amounts due to related parties are trade in nature, unsecured, interest-free and the credit period granted on purchase of materials is 3 to 6 months.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES

Apart from the amounts due from and to related companies as disclosed in Notes 9 and 11, during the current interim period, the Group entered into the following transactions with related parties that are conducted in accordance with the terms of the relevant agreements.

(1) Transactions with Qingling Group and its subsidiaries

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Sales of trucks and chassis to重慶慶鈴專用汽車有限公司 ("Qingling Zhuan Yong")	**48,302**	54,665
Sales of automobile parts and others to:		
– 重慶慶鈴鑄造有限公司 ("Qingling Casting")	**6,355**	6,665
– 重慶慶鈴日發座椅有限公司 ("Qingling Chair")	**2,128**	2,909
– 重慶慶鈴車橋有限公司 ("Qingling Axle")	**1,711**	11,704
– Qingling Zhuan Yong	**1,870**	2,466
– 重慶慶鈴鍛造有限公司 ("Qingling Forging")	**42**	228
– 重慶慶鈴鑄鋁有限公司 ("Qingling Cast Aluminium")	**97**	129
– 重慶慶鈴塑料有限公司 ("Qingling Plastics")	**51**	68
– Qingling Group	**288**	7

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(1) Transactions with Qingling Group and its subsidiaries (Continued)

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Purchases of automobile parts, and others from:		
– Qingling Axle	**27,715**	90,401
– Qingling Zhuan Yong	**2,042**	6,254
– Qingling Plastics	**24,576**	27,161
– Qingling Chair	**21,686**	21,649
– Qingling Forging	**–**	10,405
– Qingling Casting	**–**	4,346
– Qingling Cast Aluminium	**8,057**	19,882

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(1) Transactions with Qingling Group and its subsidiaries (Continued)

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Interest on lease liabilities for renting warehouse:		
– Qingling Group	**384**	149
– 重慶慶鈴科渝汽車配件有限公司("Qingling Keyu")	**–**	18
Interest on lease liabilities for renting buildings		
– Qingling Group	**118**	14
– Qingling Zhuan Yong	**13**	–
Interest on lease liabilities for renting equipment		
– Qingling Forging	**88**	34
– Qingling Group	**39**	15

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(1) Transactions with Qingling Group and its subsidiaries (Continued)

Type of transactions	**2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited)
Rental income from renting of equipment:		
– Qingling Axle	**191**	191
– Qingling Forging	**–**	–
Rental income from renting of investment properties:		
– Qingling Keyu	**–**	–
Miscellaneous service income:		
– Qingling Group and its subsidiaries	**2,099**	3,112

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(1) Transactions with Qingling Group and its subsidiaries (Continued)

Nature of balances	**At 30 June 2026** ***RMB'000*** **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Lease liabilities for renting warehouse		
– Qingling Group	**20,946**	–
Lease liabilities for renting buildings		
– Qingling Group	**6,402**	–
– Qingling Zhuan Yong	**275**	–
Lease liabilities for renting equipment		
– Qingling Forging	**4,786**	–
– Qingling Group	**2,106**	–

Note:

During the six months ended 30 June 2026 and 2025, the Group did not enter into new lease agreements with the related parties. Except for short-term lease in which the Group applied recognition exemption for right-of-use assets, all lease agreements for the use of warehouse, buildings and equipment with the related parties are for 3 years.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(2) Transactions with Isuzu

Type of transactions	**2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited)
Purchases of automobile parts and components	**7,676**	25,364
Sales of automobile parts, accessories and others	**1,158**	745
Royalties and licence paid on sales of trucks and other vehicles	**2,911**	5,561
Purchase of intangible assets	**–**	–
Consultancy and quality control fee paid	**345**	47

Note:

a. As at 30 June 2026 and 31 December 2025, Isuzu owned 496,453,654 H shares of the Company, representing 20% of the entire issued share capital of the Company and, in the opinion of the directors of the Company, Isuzu has significant influence over the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(3) Transactions with Isuzu Engine

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Purchases of automobile parts and raw materials	**277,375**	154,543
Sales of automobile parts, accessories and others	**78,382**	112,320
Rental income from renting of equipment	**27,188**	22,403
Rental income from renting of investment properties	**2,105**	2,105
Miscellaneous service income	**1,016**	576

(4) Transactions with Qingling Isuzu Sales

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Sales of trucks and automobile parts, accessories and others	**7,919**	11,196
Lease liabilities for renting warehouse	**3,226**	–
Interest on lease liabilities for renting warehouse	**47**	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(5) Transactions with Bosch

Type of transactions	**2026** ***RMB'000*** **(unaudited)**	2025 *RMB'000* (unaudited)
Sales of automobile parts, accessories and others	**8,342**	81,865
Purchases of automobile parts	**4,412**	–

(6) Transactions/balances with other government-related entities in the PRC

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the PRC government ("government-related entities"). In addition, the Group itself is part of a larger group of companies under Qingling Group which is controlled by the PRC government. Apart from the transactions with Qingling Group and its subsidiaries disclosed in section (1) above, the Group also conducts businesses with other government-related entities. The directors of the Company consider those government-related entities are independent third parties so far as the Group's business transactions with them are concerned.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(6) Transactions/balances with other government-related entities in the PRC (Continued)

Material transactions/balances with other government-related entities are as follows:

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Trade sales	**92,542**	77,689
Trade purchases	**52,408**	59,538

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Trade and other balances due from other government-related entities	**99,567**	103,924
Trade and other balances due to other government-related entities	**41,094**	88,336

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

12. RELATED PARTY TRANSACTIONS/BALANCES (CONTINUED)

(6) Transactions/balances with other government-related entities in the PRC (Continued)

In addition, the Group has entered into various transactions, including utilities services and surcharges/taxes charged by the PRC government, and deposits with certain banks and financial institutions which are government-related entities in their ordinary course of business. In view of the nature of these banking transactions, the directors of the Company are of the opinion that separate disclosure would not be meaningful.

Except as disclosed above, the directors of the Company are of the opinion that transactions with government-related entities are not significant to the Group's operations.

(7) Compensation of directors, supervisors and key management personnel

The remuneration of directors, supervisors and other members of key management during the period was as follows:

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Short-term employee benefits	**2,079**	2,277
Retirement benefits scheme contributions	**284**	436
	2,363	2,713

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the six months ended 30 June 2026

13. COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	At 30 June 2026 *RMB'000* **(unaudited)**	At 31 December 2025 *RMB'000* (audited)
Contracted for but not provided in the condensed consolidated financial statements in respect of:		
– Acquisition of property, plant and equipment	**87,935**	123,906

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the condensed consolidated financial statements approximate their fair values.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated to conform to the current period's presentation.

2026 FIRST HALF-YEARLY RESULTS

For the six months ended 30 June 2026, the Group sold 16,437 vehicles, representing a decrease of 2.40% as compared to the corresponding period last year. Sales revenue amounted to RMB1,746 million, representing a decrease of 15.77% as compared to the corresponding period last year. Loss and total comprehensive expenses for the period attributable to owners of the Company was RMB90,888,000, and loss and total comprehensive expenses attributable to owners of the Company for the corresponding period last year was RMB35,530,000.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

From January to June 2026, domestic commercial vehicle production and sales reached 2.272 million units and 2.297 million units respectively, representing year-on-year increases of 8.2% and 8.3%. The overall commercial vehicle market exhibited a significant characteristic of "Weak Domestic Demand and Strong Foreign Trade". Currently, domestic end-user demand is recovering weakly, while the export market is experiencing rapid growth. As price competition intensifies, the average profit margin in the automotive industry declined from 4.1% in 2025 to 1.5%. Industry profits continue to fall, imposing substantial operational pressure on companies. Faced with the dual pressures of industry transformation and expanding both volume and quality, all staff of the Company have united as one and forged ahead with pragmatic efforts, adopting a multi-pronged approach to stabilise the fundamental business performance. On the one hand, the Company has endeavoured to expand the market, achieving a 10.81% year-on-year increase in light truck orders and a 15.24% year-on-year increase in heavy truck orders for the first half of the year. The new energy segment broadened market coverage through steady implementation of financial services, integration of dealer resources, development of demonstration applications and agency operation businesses, delivering a year-on-year orders growth of 72.3%. On the other hand, the Company adhered to innovation-driven development, with R&D intensity reaching 4.13% in the first half of the year. With the successful launch of new T28 product, the right-hand drive light trucks have entered the Singapore market in batches. Furthermore, the Company was successfully qualified for hybrid vehicle manufacturing.

OUTLOOK AND PROSPECTS

The domestic commercial vehicle industry is currently undergoing a critical period of transformation featuring iterative operation and accelerated overseas expansion. The industry continues to face pressures from ongoing price competition and sluggish domestic demand market. However, the rapid rise in the penetration rate of new energy vehicles and robust growth in overseas exports have brought brand-new opportunities for companies to pursue transformation and development. Guided by the strategic blueprint for the "15th Five-Year Plan" and annual business goals, the Company as a whole will prioritise pragmatic execution, embrace innovation and rise to tackle tough challenges. We will continually make in-depth efforts in "Four New" markets, push forward reforms to the marketing system, iterative upgrading of products and transformation towards smart manufacturing. The Company will strive to expand incremental overseas markets, unlock growth momentum from new energy businesses, consolidate barriers in core technologies and optimise the quality and efficiency of operation across all domains. Meanwhile, the Company will continue to rigorously implement risk prevention and control, improve product quality and drive cost reduction and efficiency enhancement. We will address operational weaknesses and resolve bottlenecks hindering development, so as to comprehensively elevate the Company's market competitiveness, industrial influence and risk resilience. The Company will diligently advance all tasks in accordance with the work plans laid out at the beginning of the year and in the mid-year point, with a focus on the following priorities in the second half of the year:

1. Strengthening external marketing capabilities and focusing on achieving annual sales targets, with a particular emphasis on increasing the volume of agency operation services from new energy vehicles and implementing key overseas export projects;

2. Enhancing internal product support, optimizing new product R&D processes, with the establishment of a market-oriented, closed-loop R&D mechanism;

3. Deepening quality control across the entire supply chain, and intensifying efforts to improve quality and reliability;

4. Accelerating the transformation to smart manufacturing, and solidifying the foundation for increased delivery volume in new energy and overseas KD businesses;

5. Further streamlining and strengthening products, concentrating resources to reduce costs and increase efficiency, continuously amplifying economies of scale, and comprehensively reducing R&D, procurement, production, warehousing, and management costs.

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

For the six months ended 30 June 2026, the revenue of the Group was RMB1,745,701,000, representing a decrease of 15.77% as compared to the corresponding period last year, mainly attributable to the decreased demand in overseas commercial vehicle markets.

Gross profit for the period was RMB121,487,000, representing a decrease of 12.44% as compared to the corresponding period last year. Gross profit margin of the Group for the period was 6.96%, and it was 6.69% for the corresponding period last year. Loss and total comprehensive expenses for the period attributable to owners of the Company was RMB90,888,000, and loss and total comprehensive expenses attributable to owners of the Company for the corresponding period last year was RMB35,530,000.

For the six months ended 30 June 2026, other income was RMB85,732,000, which mainly included bank interest income, government grants and rental income, representing a decrease of 35.11% as compared to the corresponding period last year. The decrease was mainly due to the decrease in government grants and interest income.

For the six months ended 30 June 2026, basic loss per share was RMB3.66 cents. The Company did not issue any new shares during the period.

FINANCIAL POSITION

As at 30 June 2026, the total assets and total liabilities of the Group were RMB10,920,323,000 and RMB3,483,621,000, respectively.

The non-current assets were RMB2,700,112,000, mainly including right-of-use assets, time deposits, property, plant and equipment, interests in joint ventures, trade and other receivables and intangible assets.

The current assets amounted to RMB8,220,211,000, including inventories of RMB1,177,615,000, finance lease receivables of RMB144,000, trade, bills and other receivables and prepayments of RMB2,306,348,000, time deposits of RMB3,684,873,000, and cash and cash equivalents of RMB1,051,231,000.

The current liabilities amounted to RMB3,438,744,000, mainly including trade, bills and other payables of RMB3,231,206,000, tax liabilities of RMB26,000, contract liabilities of RMB139,432,000, refund liabilities of RMB48,058,000 and lease liabilities of RMB20,022,000.

As at 30 June 2026, the Group's non-current liabilities amounted to RMB44,877,000, mainly including lease liabilities, deferred income and refund liabilities.

Net current assets increased from RMB4,768,360,000 as at 31 December 2025 to RMB4,781,467,000 as at 30 June 2026, representing an increase of 0.27%.

LIQUIDITY AND CAPITAL STRUCTURE

The Group's working capital requirement was financed by its own cash flow. Gearing ratio represented the percentage of total liabilities over total equity as per condensed consolidated statement of financial position. The gearing ratio of the Group as at 30 June 2026 was 46.84% (as at 31 December 2025: 40.62%).

The issued share capital of the Company as at 30 June 2026 was maintained at RMB2,482,268,000 as no share was issued during the six months ended 30 June 2026. For the six months ended 30 June 2026, there was no material change in the financing strategies of the Group and the Group did not incur any bank borrowings nor any non-current liabilities.

The Company would closely monitor the financial and liquidity position of the Group and financial market from time to time in order to formulate financing strategies appropriate to the Group.

The total equity attributable to owner of the Company as at 30 June 2026 was RMB7,252,927,000. The net asset per share (calculated by dividing the total equity attributable to owners of the Company by the number of ordinary shares in issue of the Company) as at 30 June 2026 was RMB2.92.

SIGNIFICANT INVESTMENT

As at 30 June 2026, the Group's interests in joint ventures were RMB488,665,000 which mainly included the interest in五十鈴（中國）發動機有限公司("**Isuzu Engine**") of RMB430,431,000 and interests in associates were RMB7,407,000. For the six months ended 30 June 2026, the joint ventures and associates of the Group were under normal operation.

During the six months ended 30 June 2026, the Group had no significant acquisition or disposal.

CONTINGENT LIABILITIES

As at 30 June 2026, the Company entered into several repurchase agreements, pursuant to which repurchase obligations were provided. For details, please refer to the announcements dated 31 December 2024, 30 April 2025, 19 September 2025, 25 September 2025, 19 December 2025, 14 January 2026, 16 February 2026, 16 March 2026, 30 April 2026, 19 May 2026, and 17 June 2026.

SEGMENT INFORMATION

The revenue contributed by light-duty trucks and chassis, medium and heavy-duty trucks and chassis were RMB941,569,000 and RMB434,315,000, respectively, representing 78.82% of the total revenue. The revenue contributed by pick-up trucks and chassis was RMB191,398,000, representing 10.96% of the total revenue.

Light-duty trucks and chassis, medium and heavy-duty trucks and chassis are currently the major products accounting for the highest contribution to the revenue of the Group.

PLEDGE OF ASSETS

During the period ended 30 June 2026, no asset of the Group was pledged for financial facilities (during the period ended 30 June 2025: nil).

EFFECTS OF FOREIGN EXCHANGE RATE CHANGES

As at 30 June 2026, the Group had bank balances denominated in foreign currency of RMB1,830,000.

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

COMMITMENTS

As at 30 June 2026, the Group had capital commitments of RMB87,935,000 that had been contracted for but not provided in the condensed consolidated financial statements, mainly including the outstanding consideration payable for acquisition of property, plant and equipment. The Group expects to finance the above capital requirement by its own cash flows.

INTERIM DIVIDEND

As the Company incurred a loss in its operating results during the reporting period, and the Company is continuously increasing investment in the layout of strategic emerging industries, new product research and development as well as intelligent manufacturing production line upgrades to seize the opportunities in new energy and intelligent transformation, the Board is of the opinion that it is more appropriate to retain cash reserves for the operation and development of the Company. Therefore, the Board has resolved not to declare an interim dividend for the six months ended 30 June 2026 (for the period ended 30 June 2025: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had 1,898 employees. For the six months ended 30 June 2026, labour cost was RMB166,019,000. The Group determines the emoluments payable to its employees based on their performances, experience and prevailing industry practices while the Group's remuneration policy and packages are reviewed on a regular basis so as to ensure that the pay levels are competitive and effective in attracting, retaining and motivating employees. Depending on the assessment about their work performances, employees may be granted bonuses and rewards which in turn provide the motives and incentives for better individual performance.

STRUCTURE OF SHAREHOLDING

(1) As at 30 June 2026, the entire share capital of the Company comprised 2,482,268,268 shares, including:

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

(2) Substantial shareholders

As at 30 June 2026, shareholders other than directors or chief executives of the Company having an interest and short positions in 5% or more of the relevant class of the issued share capital of the Company as recorded in the register of interests in shares and short positions required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (the "**SFO**") were as follows:

Long positions in the shares of the Company:

Name of shareholders	Class of shares	Number of shares held	Capacity	Percentage of share capital of relevant class	Percentage of entire share capital
Qingling Motors (Group) Company Limited ("**Qingling Group**")	Domestic shares	1,243,616,403 shares *(note)*	Beneficial owner	100.00%	50.10%
Isuzu Motors Limited	H shares	496,453,654 shares	Beneficial owner	40.08%	20.00%

Note: As at 19 August 2025, the industrial and commercial change registration procedures in respect of the gratuitous transfer of 80% equity interests in Qingling Group (the "**Equity Transfer**") held by the Chongqing State-owned Assets Supervision and Administrative Commission (重慶市國有資產監督管理委員會) ("**Chongqing SASAC**") to Chongqing Yufu Holding Group Co., Ltd. (重慶渝富控股集團有限公司) ("**Yufu Holding**") have been completed. Upon completion of the Equity Transfer, Qingling Group continues to hold 100% of the domestic shares in the Company (equivalent to 50.10% of all its issued shares). The Chongqing SASAC directly holds 20% equity interests in Qingling Group and indirectly holds 80% equity interests in Qingling Group via Yufu Holding.

Save as disclosed above, the register required to be kept under Section 336 of the SFO showed that the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as at 30 June 2026.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2026, none of the directors and chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (as defined under the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"). For the six months ended 30 June 2026, none of the directors and chief executives of the Company, their spouse or children under the age of 18 had any rights to subscribe for equity or debt securities of the Company, nor has any of them exercised such rights.

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

During the six months ended 30 June 2026, none of the Company and its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities (including sale of treasury shares). As at 30 June 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

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

During the six months ended 30 June 2026, the Company has complied with code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, the Company confirmed all directors of the Company have complied with the required standard set out in the Model Code during the six months ended 30 June 2026.

EVENTS AFTER THE LATEST ANNUAL REPORT

Save as disclosed in this report, there were no other significant events affecting the Company or any of its subsidiaries after the latest annual report requiring disclosure in this report.

MAJOR EVENTS AFTER THE REPORTING PERIOD

There was no occurrence of events having a material impact on the Group subsequent to the end of the Reporting Period to the date of this report.

INDEPENDENT REVIEW

The interim results for the six months ended 30 June 2026 are unaudited, but have been reviewed by the auditors of the Company in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The interim results have also been reviewed by the audit committee of the Company.

CHANGE IN DIRECTOR'S INFORMATION

In accordance with Rule 13.51B(1) of the Listing Rules, during the period from 31 March 2026 (as the date of approval of the 2025 annual report of the Company) to 28 August 2026 (as the date of approval of the 2026 interim report of the Company), changes in information required to be disclosed by the directors of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules are as follows:

1. Mr. LUO Yuguang has resigned as an executive director, the chairman, a member of the remuneration committee and the chairman and a member of the nomination committee of the Company with effect from 22 April 2026;

2. Mr. NAKAMURA Koji has resigned as an executive director and the vice chairman of the Company with effect from 22 April 2026;

3. Mr. TSUKUI Mikio, Mr. XU Song, Mr. LI Juxing and Mr. LI Xiaodong have resigned as executive directors of the Company with effect from 22 April 2026;

4. Mr. LONG Tao has resigned as an independent non-executive director, as a member of the audit committee, remuneration committee and nomination committee of the Company with effect from 22 April 2026;

5. Mr. SONG Xiaojiang has resigned as an independent non-executive director, the chairman and a member of the audit committee, the chairman and a member of the remuneration committee and a member of the nomination committee of the Company with effect from 22 April 2026;

6. Mr. LIU Zhongwei has been appointed as an executive director, the chairman, a member of the remuneration committee and the chairman and a member of the nomination committee of the Company with effect from 22 April 2026;

7. Mr. KANI Takuji has been appointed as an executive director and the vice chairman of the Company with effect from 22 April 2026;

8. Mr. NAGATA Tomoya, Mr. XU Dengke and Ms. SONG Xiumin have been appointed as executive directors of the Company with effect from 22 April 2026;

9. Mr. YANG Xinglong has been appointed as an independent non-executive director, the chairman and a member of the audit committee, the chairman and a member of the remuneration committee and a member of the nomination committee of the Company with effect from 22 April 2026;

10. Ms. HOU Qian has been appointed as an independent non-executive director, a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company with effect from 22 April 2026; and

11. Ms. YAN Huarong has been appointed as an employee director of the Company with effect from 22 April 2026.

PUBLICATION OF FINANCIAL INFORMATION

The Company's 2026 interim report containing all the financial information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qingling.com.cn) in due course.

By Order of the Board
Qingling Motors Co. Ltd
LIU Zhongwei
Chairman and Executive Director

Chongqing, the PRC, 28 August 2026

CORPORATE INFORMATION

DIRECTORS

Executive Directors:
Mr. LIU Zhongwei *(Chairman) (appointed on 22 April 2026)*
Mr. KANI Takuji *(Vice Chairman) (appointed on 22 April 2026)*
Mr. KIJIMA Katsuya *(Deputy General Manager)*
Mr. NAGATA Tomoya *(appointed on 22 April 2026)*
Mr. XU Dengke *(General Manager) (appointed on 22 April 2026)*
Ms. SONG Xiumin *(appointed on 22 April 2026)*
Mr. LUO Yuguang *(resigned on 22 April 2026)*
Mr. NAKAMURA Koji *(resigned on 22 April 2026)*
Mr. TSUKUI Mikio *(resigned on 22 April 2026)*
Mr. XU Song *(resigned on 22 April 2026)*
Mr. LI Juxing *(resigned on 22 April 2026)*
Mr. LI Xiaodong *(resigned on 22 April 2026)*

Employee Director:
Ms. YAN Huarong *(appointed on 22 April 2026)*

Independent Non-executive Directors:
Mr. YANG Xinglong *(appointed on 22 April 2026)*
Ms. HOU Qian *(appointed on 22 April 2026)*
Mr. LIU Tianni
Ms. CHEN Yen Yung
Mr. LONG Tao *(resigned on 22 April 2026)*
Mr. SONG Xiaojiang *(resigned on 22 April 2026)*

COMPANY SECRETARIES

responsible for PRC affairs: Ms. SONG Xiumin
responsible for Hong Kong affairs: Mr. TUNG Tat Chiu Michael

AUDIT COMMITTEE

Mr. YANG Xinglong *(Committee Chairman) (appointed on 22 April 2026)*
Ms. HOU Qian *(appointed on 22 April 2026)*
Mr. LIU Tianni
Ms. CHEN Yen Yung
Mr. SONG Xiaojiang *(resigned on 22 April 2026)*
Mr. LONG Tao *(resigned on 22 April 2026)*

REMUNERATION COMMITTEE

Mr. YANG Xinglong *(Committee Chairman)* (appointed on 22 April 2026)
Mr. LIU Zhongwei *(appointed on 22 April 2026)*
Ms. HOU Qian *(appointed on 22 April 2026)*
Mr. LIU Tianni
Ms. CHEN Yen Yung
Mr. SONG Xiaojiang *(resigned on 22 April 2026)*
Mr. LUO Yuguang *(resigned on 22 April 2026)*
Mr. LONG Tao *(resigned on 22 April 2026)*

NOMINATION COMMITTEE

Mr. LIU Zhongwei *(Committee Chairman) (appointed on 22 April 2026)*
Mr. YANG Xinglong *(appointed on 22 April 2026)*
Ms. HOU Qian *(appointed on 22 April 2026)*
Mr. LIU Tianni
Ms. CHEN Yen Yung
Mr. LUO Yuguang *(resigned on 22 April 2026)*
Mr. LONG Tao *(resigned on 22 April 2026)*
Mr. SONG Xiaojiang *(resigned on 22 April 2026)*

CORPORATE INFORMATION AVAILABLE AT

Qingling Motors Co. Ltd

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the PRC

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H SHARE LISTING PLACE

The Stock Exchange of Hong Kong Limited
Stock code: 1122

PRINCIPAL BANKERS

Bank of China, Huayu Road Branch
Industrial and Commercial Bank of China, Huafu Road Branch
Industrial Bank, Business Department of Chongqing Branch
China CITIC Bank, Jiangbei Sub-branch

AUDITORS

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