

BRILLIANCE
CHINA AUTOMOTIVE
HOLDINGS LIMITED

(華晨中國汽車控股有限公司)*

(Incorporated in Bermuda with limited liability)

Stock Code : 1114

Brilliance Auto
華 晨 汽 車

INTERIM
REPORT
2025



** for identification purposes only*

RESULTS

The board of directors (the “**Board**”) of Brilliance China Automotive Holdings Limited (the “**Company**”) announces the unaudited consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30th June, 2025. The unaudited consolidated interim financial statements have been reviewed by the audit committee of the Board.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(Expressed in thousands of RMB except for earnings per share amounts)

		(Unaudited)	
		For the six months ended	
		30th June,	
		2025	2024
	Note	RMB'000	RMB'000
Revenue	4	561,692	518,038
Cost of sales		(468,214)	(414,486)
Gross profit		93,478	103,552
Other income		14,829	8,088
Interest income		78,164	295,169
Selling expenses		(33,440)	(12,463)
General and administrative expenses		(279,895)	(176,593)
Net expected credit loss (“ECL”) allowance on			
loans and receivables		(627)	(13,888)
Finance costs	5	(3,194)	(786)
Share of results of associates		2,048,529	2,734,677
Share of results of a joint venture		(11,583)	–
Profit before income tax expense	6	1,906,261	2,937,756
Income tax expense	8	(252,044)	(1,472,119)
Profit for the period		1,654,217	1,465,637
Attributable to:			
Equity holders of the Company		1,701,404	1,473,258
Non-controlling interests		(47,187)	(7,621)
		1,654,217	1,465,637
Earnings per share	9		
– Basic		RMB0.33723	RMB0.29201
– Diluted		RMB0.33723	RMB0.29201

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	1,654,217	1,465,637
Other comprehensive income (expense) that will be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Share of other comprehensive income (expense) of associates	1,588,677	(270,274)
Fair value gain (loss) on notes receivable at fair value through other comprehensive income ("FVOCI")	175	(157)
	1,588,852	(270,431)
Other comprehensive (expense) income that will not be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Change in fair value of equity investments	(52)	807
	1,588,800	(269,624)
Total comprehensive income for the period	3,243,017	1,196,013
Attributable to:		
Equity holders of the Company	3,290,204	1,203,634
Non-controlling interests	(47,187)	(7,621)
	3,243,017	1,196,013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(Unaudited)	(Audited)
		As at	As at
		30th June, 2025	31st December, 2024
	Note	RMB'000	RMB'000
Non-current assets			
Intangible assets	11	125,416	131,425
Property, plant and equipment	11	1,318,764	1,297,242
Land lease prepayments	11	70,733	71,792
Interests in associates	12	12,039,290	12,450,008
Interests in a joint venture	13	688,417	–
Equity investment	14	1,787	1,839
Long-term loan receivables	15	1,419,631	1,602,089
Prepayments for property, plant and equipment	16	159,534	–
Other non-current assets		91,196	131,707
Total non-current assets		15,914,768	15,686,102
Current assets			
Cash and cash equivalents	17	5,857,011	10,539,550
Statutory deposit reserves at central bank		–	42,500
Short-term bank deposits	18	1,236,152	582,115
Inventories		306,884	260,658
Accounts receivable	19	466,010	403,551
Notes receivable	20	84,778	82,498
Short-term loan receivables	15	888,976	942,521
Dividends receivable from an affiliated company	28(h)	2,143,962	–
Other current assets	21	507,835	566,220
Total current assets		11,491,608	13,419,613
Current liabilities			
Accounts payable	22	320,980	260,379
Notes payable		178,560	279,853
Other current liabilities	23	448,513	408,187
Short-term bank borrowings	24	130,000	330,000
Income tax payable		3,205	3,031
Provision for loss	25	554,199	554,199
Total current liabilities		1,635,457	1,835,649

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

		(Unaudited) As at 30th June, 2025 <i>RMB'000</i>	(Audited) As at 31st December, 2024 <i>RMB'000</i>
	<i>Note</i>		
Net current assets		9,856,151	11,583,964
Total assets less current liabilities		25,770,919	27,270,066
Non-current liabilities			
Other non-current liabilities	23	168,698	172,185
Net assets		25,602,221	27,097,881
Capital and reserves			
Share capital	26	397,176	397,176
Reserves	27	24,215,329	25,663,802
Total equity attributable to equity holders of the Company		24,612,505	26,060,978
Non-controlling interests		989,716	1,036,903
Total equity		25,602,221	27,097,881

Six months ended 30th June, 2024 (Unaudited)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

Six months ended 30th June, 2025 (Unaudited)

Attributable to the equity holders of the Company											
	Issued capital RMB'000	Hedging reserve RMB'000	Share premium RMB'000	Investment fair value reserve RMB'000	FVOCI reserve RMB'000	Cumulative translation adjustments reserve RMB'000	Capital reserve RMB'000	Retained earnings RMB'000	Total equity attributable to the equity holders of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1st January, 2025	397,176	(570,359)	2,476,082	(9,656)	(479)	39,179	120,000	23,609,035	26,060,978	1,038,903	27,097,881
Transactions with equity holders of the Company											
Dividends (note 10)	-	-	-	-	-	-	-	(4,738,677)	(4,738,677)	-	(4,738,677)
Profit for the period	-	-	-	-	-	-	-	1,701,404	1,701,404	(47,187)	1,654,217
Other comprehensive income											
Share of other comprehensive income of associates	-	1,588,666	-	-	11	-	-	-	1,588,677	-	1,588,677
Change in fair value of financial assets	-	-	-	(52)	175	-	-	-	123	-	123
Total other comprehensive income	-	1,588,666	-	(52)	186	-	-	-	1,588,800	-	1,588,800
Total comprehensive income	-	1,588,666	-	(52)	186	-	-	1,701,404	3,290,204	(47,187)	3,243,017
As at 30th June, 2025	397,176	1,018,307	2,476,082	(9,708)	(293)	39,179	120,000	20,571,762	24,612,595	989,716	25,602,221

CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(257,757)	(675,034)
Net cash generated from investing activities	527,525	5,433,600
Net cash used in financing activities	(4,952,307)	(8,258,244)
Decrease in cash and cash equivalents	(4,682,539)	(3,499,678)
Cash and cash equivalents, as at 1st January	10,539,550	30,845,795
Cash and cash equivalents, as at 30th June	5,857,011	27,346,117

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ORGANISATION AND OPERATIONS

The Company was incorporated in Bermuda on 9th June, 1992 as an exempted company with limited liability. The Company's shares are traded on the main board of The Stock Exchange of Hong Kong Limited (the "SEHK").

Shenyang Automobile Group Co., Ltd. ("Shenyang Automobile", formerly "Shenyang Automobile Co., Ltd.") at present indirectly holding 29.99% equity interest of the Company is considered as the single ultimate largest shareholder of the Company.

The principal activities of the Group are set out in note 4 to these consolidated interim financial statements.

2. STATEMENT OF COMPLIANCE AND ACCOUNTING POLICIES

These consolidated interim financial statements (or hereafter also referred to as the "consolidated interim financial statements") have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK (the "Listing Rules"), the Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" and other relevant HKASs and Interpretations and the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

These consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated annual financial statements for the year ended 31st December, 2024, except for the adoption of the amended HKFRSs (which include individual HKFRSs, HKASs and interpretations) as disclosed in note 3 to these consolidated interim financial statements.

These consolidated interim financial statements are unaudited and do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31st December, 2024.

3. ADOPTION OF AMENDED HKFRSs

In the current period, the Group has applied for the first time the following amended HKFRS (the "Amended HKFRSs") issued by the HKICPA, which is relevant to the Group and effective for the Group's consolidated financial statements for the annual financial period beginning on 1st January, 2025.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the Amended HKFRSs had no impact on how the results and financial positions for the current and prior periods have been prepared and presented.

The Group has not early adopted the Amended HKFRSs that have been issued but are not yet effective. The directors of the Company anticipate that the application of these Amended HKFRSs will have no material impact on the results and the financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Company is an investment holding company. The principal activities of the Group are the manufacture and sale of BMW vehicles and components in the People's Republic of China ("PRC") through its major associate, BMW Brilliance Automotive Ltd. ("BBA"), the manufacture and sale of non-BMW vehicles and automotive components through its subsidiaries, Jinbei (Shenyang) Automotive Co., Ltd. ("JSA"), Ningbo Yumin Machinery Industrial Co., Ltd. ("Ningbo Yumin") and Mianyang Brilliance Ruian Automotive Components Co., Ltd. ("Mianyang Ruian"), and the provision of auto financing service through its subsidiary, Brilliance-BEA Auto Finance Co., Ltd. ("BBAFC").

Revenue earned during the period represents:

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Sale of non-BMW vehicles and automotive components, net of taxes, discounts and return	481,951	405,380
Interest and service charge income from provision of auto financing service, net of other indirect taxes	79,741	112,658
	561,692	518,038

The Group has identified the following reportable segments:

- the manufacture and sale of non-BMW vehicles and automotive components;
- the manufacture and sale of BMW vehicles and components; and
- the provision of auto financing service.

Each of these operating segments is managed separately as each of these product lines requires different resources as well as marketing approaches.

The measurement policies the Group adopts for reporting segment results under HKFRS 8 are the same as those used in its consolidated interim financial statements prepared under HKFRSs, except that certain items are not included in arriving at the operating results of the operating segments (e.g. share of results of associates and a joint venture, interest income, finance costs, corporate income and expenses which are not directly attributable to the business activities of any operating segment, and income tax expense).

Segment assets include all assets other than interests in associates, equity investments, prepayment for investment and assets held for disposal. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

Segment liabilities include all liabilities other than corporate liabilities which are not directly attributable to the business activities of any operating segment.

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

Revenue and results by reportable segments and reconciliation of segment results to profit before income tax expense for the period – for the six months ended 30th June, 2025

(Unaudited)					
	Manufacture and sale of non-BMW vehicles and automotive components <i>RMB'000</i>	Manufacture and sale of BMW vehicles and components <i>RMB'000</i>	Provision of auto financing service <i>RMB'000</i>	Reconciliation to the Group's consolidated statement of profit or loss and intersegment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment sales to external customers	481,951	85,796,182	79,741	(85,796,182)	561,692
Segment results	(155,274)	8,206,355	(22,157)	(8,195,451)	(166,527)
Unallocated costs net of unallocated revenue					(39,128)
Interest income					78,164
Finance costs					(3,194)
Share of results of associates	(3,060)	2,051,589	–	–	2,048,529
Share of results of a joint venture	(11,583)	–	–	–	(11,583)
Profit before income tax expense					1,906,261

Revenue and results by reportable segments and reconciliation of segment results to profit before income tax expense for the period – for the six months ended 30th June, 2024

(Unaudited)					
	Manufacture and sale of non-BMW vehicles and automotive components <i>RMB'000</i>	Manufacture and sale of BMW vehicles and components <i>RMB'000</i>	Provision of auto financing service <i>RMB'000</i>	Reconciliation to the Group's consolidated statement of profit or loss and intersegment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment sales to external customers	405,380	111,521,948	112,658	(111,521,948)	518,038
Segment results	(31,995)	10,939,670	(9,441)	(10,922,596)	(24,362)
Unallocated costs net of unallocated revenue					(66,942)
Interest income					295,169
Finance costs					(786)
Share of results of associates	(241)	2,734,918	–	–	2,734,677
Profit before income tax expense					2,937,756

4. REVENUE AND SEGMENT INFORMATION (Cont'd)

The assets and liabilities by reportable segments as at 30th June, 2025

(Unaudited)					
	Manufacture and sale of non-BMW vehicles and automotive components <i>RMB'000</i>	Manufacture and sale of BMW vehicles and components <i>RMB'000</i>	Provision of auto financing service <i>RMB'000</i>	Reconciliation to the Group's consolidated statement of financial position and intersegment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	11,910,293	125,410,782	2,655,479	(126,261,394)	13,715,160
Interests in associates	1,154,269	10,885,021	–	–	12,039,290
Interests in a joint venture	688,417	–	–	–	688,417
Equity investment					1,787
Unallocated assets					961,722
Total assets					27,406,376
Segment liabilities	1,595,858	81,870,700	1,008,928	(82,721,311)	1,754,175
Unallocated liabilities					49,980
Total liabilities					1,804,155

The assets and liabilities by reportable segments as at 31st December, 2024

(Audited)					
	Manufacture and sale of non-BMW vehicles and automotive components <i>RMB'000</i>	Manufacture and sale of BMW vehicles and components <i>RMB'000</i>	Provision of auto financing service <i>RMB'000</i>	Reconciliation to the Group's consolidated statement of financial position and intersegment elimination <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	13,634,934	127,448,121	2,885,501	(128,298,970)	15,669,586
Interests in associates	917,318	11,532,690	–	–	12,450,008
Equity investment					1,839
Unallocated assets					984,282
Total assets					29,105,715
Segment liabilities	1,588,906	81,317,360	1,205,790	(82,168,208)	1,943,848
Unallocated liabilities					63,986
Total liabilities					2,007,834

5. FINANCE COSTS

(Unaudited)		
For the six months ended		
30th June,		
	2025	2024
	RMB'000	RMB'000
Interest expense on:		
– discounted bank guaranteed notes/net loss arising on FVOCI	129	–
– finance charge on lease liabilities	3,065	786
	3,194	786

6. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is stated after charging and crediting the following:

(Unaudited)		
For the six months ended		
30th June,		
	2025	2024
	RMB'000	RMB'000
Charging:		
ECL allowance for:		
– Loan receivables	34,344	24,608
– Other receivables	671	–
– Accounts receivable	1,303	1,808
Cost of inventories	449,924	379,184
Amortisation of intangible assets (a)	15,519	9,439
Amortisation of land lease prepayments	1,059	1,060
Depreciation of property, plant and equipment:		
– Owned assets	37,825	36,842
– Right-of-use assets	16,378	12,020
Impairment loss on property, plant and equipment	55,486	–
Staff costs (including directors' emoluments) (Note 7)	145,550	116,157
Provision for inventories	2,951	–
Research and development costs (b)	52,701	16,579
Warranty provision (b)	1,380	843
Lease charges:		
– Short-term leases with lease term of 12 months or shorter	2,772	1,742
– Low value items	55	50
Loss on disposal of property, plant and equipment	4,528	71
Exchange loss, net (b)	21,269	42,577
Crediting:		
Rental income from land and buildings	525	516
Reversal of ECL allowance for:		
– Accounts receivable from affiliated companies	1,731	3,684
– Other receivables	–	212
– Amounts due from affiliated companies	33,960	8,632
Write back of provision for inventories sold	13,277	1,827

(a) amortisation of intangible assets in relation to production was included in cost of sales; amortisation of intangible assets for other purposes was included in general and administrative expenses.

(b) included in general and administrative expenses.

7. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Wages, salaries and performance related bonus	103,424	92,002
Pension costs – defined contribution plans	10,452	7,575
Staff welfare costs	31,674	16,580
	145,550	116,157

8. INCOME TAX EXPENSE

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Current tax		
PRC corporate income tax		
– Current period	2,044	969
– Over provision in prior years	–	(2,850)
PRC withholding tax on dividend	250,000	1,474,000
	252,044	1,472,119

Deferred tax asset in respect of tax losses and temporary differences is not recognised as it is not certain as to its recoverability.

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company for the six months ended 30th June, 2025 of approximately RMB1,701,404,000 (*Six months ended 30th June, 2024: approximately RMB1,473,258,000*) by the weighted average number of ordinary shares of 5,045,269,000 shares (*Six months ended 30th June, 2024: 5,045,269,000 shares*).

Diluted earnings per share is the same as basic earnings per share for the six months ended 30th June, 2025 as there was no potential dilutive ordinary share in issue during the period (*Six months ended 30th June, 2024: same*).

10. DIVIDENDS

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Special dividends	4,738,677	27,210,904

On 3rd March, 2025, the directors of the Company declared a special dividend of HK\$1.0 per share totalling approximately HK\$5,045,269,000 or RMB4,738,677,000.

On 15th April, 2024 and 14th June, 2024, the Company declared special dividends of HK\$1.5 and HK\$4.3 per share, respectively, totalling approximately HK\$29,262,562,000 or approximately RMB27,210,904,000.

The directors of the Company recommend a dividend of HK\$0.8 per share at the board meeting held on 22nd August, 2025 in respect of the Group's interim results for the six months ended 30th June, 2025 (*Six months ended 30th June, 2024: nil*).

11. CAPITAL EXPENDITURES

	(Unaudited)			
	Intangible assets	Property, plant and equipment	Land lease prepayments	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Net book value as at 1st January, 2025	131,425	1,297,242	71,792	1,500,459
Additions	9,510	139,420	–	148,930
Disposals/Write-off	–	(8,209)	–	(8,209)
Impairment loss	–	(55,486)	–	(55,486)
Amortisation/Depreciation	(15,519)	(54,203)	(1,059)	(70,781)
Net book value as at 30th June, 2025	125,416	1,318,764	70,733	1,514,913

As at 30th June, 2025, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	(Unaudited)	(Audited)	(Unaudited)	
	As at 30th June, 2025	As at 31st December, 2024	For the six months ended 30th June, 2025	
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings	104,675	116,087	15,422	11,064
Machinery & equipment	1,274	2,230	956	956
	105,949	118,317	16,378	12,020

During the six months ended 30th June, 2025, the total additions right-of-use assets as included in property, plant and equipment amounted to approximately RMB7,673,000 including modification of lease to reduce lease assets of approximately RMB318,000 (*Six months ended 30th June, 2024: RMB24,966,000 without any modification of leases*). The net book value of right-of-use assets as included in property, plant and equipment disposed of during the six months ended 30th June, 2025 amounted to approximately RMB3,663,000 (*Six months ended 30th June, 2024: approximately RMB947,000*).

12. INTERESTS IN ASSOCIATES

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Share of net assets by equity method and goodwill:		
Associates listed in Hong Kong	624,666	620,016
Less: accumulated impairment loss for interests in an associate listed in Hong Kong (<i>Note ii</i>)	(72,799)	(72,799)
	551,867	547,217
Unlisted associates:		
BBA	10,885,021	11,532,690
Other unlisted associates (<i>Note ii</i>)	602,402	412,308
	11,487,423	11,944,998
Less: accumulated impairment loss for interests in an unlisted associate (<i>Note iii</i>)	–	(42,279)
	11,487,423	11,902,719
	12,039,290	12,450,008
Fair value of investment in associates listed in Hong Kong	73,103	70,719

Note i: The assessment of the impairment loss is based on the projected cash flow forecast of Xinchen China Power Holdings Limited ("Power Xinchen").

Note ii: During the six months ended 30th June, 2025, the Group invested RMB240,000,000 in 48% of the total paid-up registered capital of RMB500,000,000 in Shenyang Chunqing Eco-Tech Co., Ltd., a limited liability company established in China with principal activity of the promotion and sale of new energy fueled motor vehicles.

Note iii: As a result of the completion of the transfer of 49% equity interest in Shenyang Brilliance Power Train Machinery Co., Ltd. ("Brilliance Power") at nil consideration to Huachen Automotive Group Holdings Company Limited ("Huachen", a subsidiary of Shenyang Automobile) as a part of its restructuring, the respective investment interest of RMB42,207,000 and full accumulated impairment loss was written off in the six months ended 30th June, 2025.

BBA is individually material to the Group. The aggregate financial information of BBA which are accounted for using equity method is summarised as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Current assets	51,404,378	54,098,346
Non-current assets	74,006,404	73,349,775
Current liabilities	(64,712,680)	(62,675,133)
Non-current liabilities	(17,158,019)	(18,642,227)
Net assets	43,540,083	46,130,761
Proportion of the Group's ownership interest in BBA	25%	25%
Carrying amount of interest in BBA	10,885,021	11,532,690

12. INTERESTS IN ASSOCIATES (Cont'd)

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Revenue	85,796,182	111,521,948
Profit for the period	8,206,355	10,939,670
Dividends attributable to the Group	4,287,924	7,653,980

In addition to BBA, Power Xincheng is also considered individually material to the Group. The aggregate financial information of Power Xincheng which are accounted for using equity method for the six months ended 30th June, 2025 is summarised as follows:

	(Unaudited)	(Audited)
	As at	As at 31st
	30th June,	December,
	2025	2024
	RMB'000	RMB'000
Current assets	2,930,417	3,229,708
Non-current assets	2,122,531	2,248,001
Current liabilities	(2,919,842)	(3,293,002)
Non-current liabilities	(362,423)	(430,553)
Net assets	1,770,683	1,754,154
Proportion of the Group's ownership interest in Power Xincheng	31.196%	31.196%
Carrying amount of interest in Power Xincheng	552,382	547,217

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Revenue	2,804,434	2,619,532
Profit for the period	16,493	22,125

12. INTERESTS IN ASSOCIATES (Cont'd)

Other associates are considered individually not material to the Group. The Group's share of aggregate financial information of these associates for the six months ended 30th June, 2025 is summarised as follows:

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Net loss and other comprehensive income attributable to the Group	(8,205)	(7,161)

13. INTERESTS IN A JOINT VENTURE

	(Unaudited)
	As at
	30th June,
	2025
	RMB'000
Share of net assets by equity method	
– Unlisted joint venture	688,417

During the six months ended 30th June, 2025, the Group entered into a joint venture agreement to acquire 50% equity interest at a cash consideration of RMB700,000,000 in Yuxin Zhixing Technology (Shenyang) Co., Ltd. ("Yuxin"), a company with limited liability established in China with paid-up registered capital of RMB500,000,000 and principal activity of the manufacture of intelligent cockpit and display.

The aggregate financial information of Yuxin which are accounted for using equity method is summarised as follows:

	(Unaudited)
	As at
	30th June,
	2025
	RMB'000
Non-current assets	361,094
Current assets	1,056,853
Current liabilities	(41,113)
Non-current liabilities	–
Net assets	1,376,834
Proportion of the Group's ownership interest in Yuxin	50%
Carrying amount of the Group's interest in Yuxin	688,417

13. INTERESTS IN A JOINT VENTURE (Cont'd)

Revenue, profit of and dividend from the joint venture received by the Group for the period are as follows:

	(Unaudited) For the six months ended 30th June, 2025 RMB'000
Revenue	9,883
Loss for the period	(23,166)

14. EQUITY INVESTMENT

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Financial asset of FVOCI (non-recycling)		
– Listed equity investment in Hong Kong	1,787	1,839

15. LOAN RECEIVABLES

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Loan receivables from customers	2,352,102	2,592,558
Less: ECL allowance	(43,495)	(47,948)
	2,308,607	2,544,610
Less: current portion	(888,976)	(942,521)
Long-term loan receivables	1,419,631	1,602,089
Gross loan receivables recoverable:		
– No later than one year	914,512	969,875
– Later than one year and no later than five years	1,437,590	1,622,683
	2,352,102	2,592,558

BBAFC has joint auto financing service with an affiliated company of a non-controlling interest of BBAFC ("Joint Lender"). The credit risk under this joint auto financing to the Group is only up to the amount financed by the Group and motor vehicles secured by retail borrowers are also shared proportionately between the Group and the Joint Lender in case of default by the retail borrowers. As at 30th June, 2025, loan receivables of approximately RMB154,243,000 (*As at 31st December, 2024: approximately RMB202,822,000*) were the outstanding balances to the Group under this joint auto financing arrangement.

All loan receivables were derived from the business of provision of auto financing by BBAFC during the period. These loan receivables are denominated in Renminbi and in principle secured by the motor vehicles of the borrowers for retail auto financing. Out of the gross loan receivables which amounted to RMB2,352,102,000 (*As at 31st December, 2024: RMB2,592,558,000*), the gross loan receivables that will be repayable within 1 year amounted to RMB914,512,000 (*As at 31st December, 2024: RMB969,875,000*) bear fixed effective interest rates ranging from 5.03% to 14.00% (*As at 31st December, 2024: 5.03% to 14.00%*) per annum. The remaining gross loan receivables that will be repayable after 1 year but no later than 5 years amounted to RMB1,437,590,000 (*As at 31st December, 2024: RMB1,622,683,000*) bear fixed effective interest rates ranging from 5.19% to 12.98% (*As at 31st December, 2024: from 5.19% to 12.98%*) per annum. The actual interest rate offered to borrowers were determined with reference to the market rates from competitors at the material time, customer profiles and the brand of the motor vehicle which BBAFC is cooperating with.

The gross overdue loan receivables analysed by overdue period as at 30th June, 2025 is as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Overdue		
– 1 to 60 days	141,686	99,498
– 61 to 90 days	8,286	11,087
– 91 to 120 days	9,001	7,796
– more than 120 days	7,093	8,855
	166,066	127,236

Borrowers follow the terms and contractual repayment schedule to repay the outstanding loans. When any of the loan repayments is overdue in accordance with the contractual repayment schedule, the entire loan balance is classified as overdue loan. All amounts are shown as gross amounts of overdue loan receivables before any impairment losses under ECL model.

16. PREPAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Prepayments for property, plant and equipment		
– to third parties	108,814	–
– to an affiliated company (Note 28(ii))	50,720	–
	159,534	–

17. CASH AND CASH EQUIVALENTS

For consolidated statement of financial position classification, cash and cash equivalents represent assets similar in nature to cash, which are not restricted as to use. For the purposes of consolidated statement of cash flows, cash and cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts and short-term bank borrowings with maturities less than 3 months.

18. SHORT-TERM BANK DEPOSITS

Details of the short-term bank deposits are as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Time deposits	748,000	–
Restricted short-term bank deposits (Note i)	347,200	347,200
Pledged short-term bank deposits for bank guaranteed notes issued by the Group (Note ii)	140,952	234,915
Total pledged and restricted short-term bank deposits	488,152	582,115
	1,236,152	582,115

Note i: As detailed in note 25, up to 30th June, 2025, the Group has made accumulated settlements of approximately RMB1,362,863,000 (*As at 31st December, 2024: approximately RMB1,362,863,000*) directly out of the restricted short-term deposits according to the order of the PRC courts due to the lawsuits of the unauthorised guaranties events. The respective restricted short-term deposits were reduced to approximately RMB347,200,000 at 30th June, 2025 (*As at 31st December, 2024: approximately RMB347,200,000*).

As set out in note 25, the directors of the Company considered that the respective liabilities and provision have been adequately provided for in the consolidated interim financial statements.

Note ii: As at 30th June, 2025, in addition to short-term deposits pledged, the Group had also pledged bank guaranteed notes receivable from third parties and related parties of approximately RMB38,100,000 (*As at 31st December, 2024: approximately RMB45,600,000*) to secure the issue of bank guaranteed notes.

19. ACCOUNTS RECEIVABLE

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Accounts receivable	455,525	402,189
Accounts receivable from affiliated companies (Note 28(c))	10,485	1,362
	466,010	403,551

An aging analysis of accounts receivable based on invoice date is set out below:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Less than six months	452,340	407,906
Six months to one year	10,709	1,323
Above one year to two years	1,599	883
Above two years to five years	19,302	20,629
More than five years	19,387	17,957
	503,337	448,698
Less: ECL allowance	(47,812)	(46,509)
	455,525	402,189

As at 30th June, 2025, accounts receivable from third parties of approximately RMB17.7 million (*As at 31st December, 2024: approximately RMB14.0 million*) were substantially denominated in U.S. Dollar or Euro and the rest were denominated in Renminbi.

The Group's credit policy is to minimise credit risk. Credit history and background of new customers and debtors are checked and security deposits or letters of credit are usually obtained from major customers. Credit limits with credit terms of 30 to 90 days are set for PRC customers, and customers considered to be high risk are traded on cash basis or upon receipt of bank guaranteed notes or letters of credit. For overseas customers, since settlements must be made by letters of credit, credit periods up to one year are granted. Designated staff monitors accounts receivable and follow-up collection with customers.

20. NOTES RECEIVABLE

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Notes receivable	84,275	78,795
Notes receivable from affiliated companies (Note 28(d))	503	3,703
	84,778	82,498

All notes receivable are denominated in Renminbi and are primarily notes received from customers for settlement of accounts receivable balances. As at 30th June, 2025, all notes receivable were guaranteed by established banks in the PRC with maturities of less than six months from 30th June, 2025 (*As at 31st December, 2024: same*).

The Group does not hold the notes receivable until maturity but endorses or discounts these notes receivable before maturity for the settlement of the Group's creditors. Accordingly, these notes receivable are classified as financial assets at FVOCI (recycling) and are stated at fair value. The fair value is based on the net present value at 30th June, 2025 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable (*At 31st December, 2024: same*). The fair value is within level 2 of the fair value hierarchy.

21. OTHER CURRENT ASSETS

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Compensation receivable	21(a) –	127,424
Other receivables	21(b) 256,840	279,136
Prepayments and other current assets	21(c) 98,837	30,161
Other taxes recoverable	88,787	65,529
Amounts due from affiliated companies	28(e) 63,371	63,970
	507,835	566,220

(a) Compensation receivable

In relation to a mandatory expropriation of factory and office premises of JSA by the Shenyang Dadong District People's Government, JSA was entitled to a compensation of approximately RMB451,402,000. The compensation was received in full by 30th June, 2025.

21. OTHER CURRENT ASSETS (Cont'd)

(b) Other receivables

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Amounts due from third parties	4,858,549	4,880,174
Less: ECL allowance	(4,601,709)	(4,601,038)
	256,840	279,136

Other receivables are all due from third parties and denominated in Renminbi. ECL allowance includes full amounts of ECL allowance in aggregate of approximately RMB4,074,300,000 (*As at 31st December, 2024: approximately RMB4,074,300,000*) provided for the loss of the unauthorised pledged short-term deposits of the Group for banking facilities granted to and advances to some third parties.

As at 30th June, 2025, other receivables after ECL allowance of approximately RMB256,840,000 (*As at 31st December, 2024: approximately RMB279,136,000*) included approximately RMB190,000,000 (*As at 31st December, 2024: approximately RMB211,000,000*) due from the administrator of the restructuring of JSA.

The directors consider that the fair values of other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods.

(c) Prepayments and other current assets

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Prepayments and other current assets to third parties	82,283	30,161
Prepayments to an affiliated company (<i>Note 28(i)</i>)	16,554	–
	98,837	30,161

22. ACCOUNTS PAYABLE

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Accounts payable	311,501	249,835
Accounts payable to affiliated companies (Note 28(f))	9,479	10,544
	320,980	260,379

An aging analysis of accounts payable based on invoice date is set out below:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Less than six months	239,456	178,048
Six months to one year	13,959	9,828
Above one year but less than two years	11,694	13,255
Two years or above	46,392	48,704
	311,501	249,835

Accounts payable with balances denominated in currencies other than Renminbi are considered not significant. All these amounts are payable within one year.

23. OTHER CURRENT LIABILITIES

	(Unaudited) As at 30th June, 2025 Note RMB'000	(Audited) As at 31st December, 2024 RMB'000
Contract liabilities	14,895	11,316
Other payables and accrued expenses	385,497	347,036
Other taxes payable	9,051	3,705
Deferred government grants	23(a) 76,818	74,688
Lease liabilities	23(b) 113,868	122,440
Amounts due to affiliated companies	28(g) 17,082	21,187
	617,211	580,372
Less: non-current portion	(168,698)	(172,185)
Current portion	448,513	408,187

23. OTHER CURRENT LIABILITIES (Cont'd)

(a) Deferred government grants

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Government grants to be recognised as income		
– within one year	4,879	4,878
– over one year	71,939	69,810
	76,818	74,688

(b) Lease liabilities

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Total minimum lease payments		
– due within the first year	18,188	21,213
– due over the first to the second years	10,761	13,456
– due over the second to the fifth years	44,910	25,294
– due after the fifth year	59,598	84,724
	133,457	144,687
Less: future finance charges on lease liabilities	(19,589)	(22,247)
Present value of lease liabilities	113,868	122,440
Present value of minimum lease payments		
– due within the first year	17,109	20,065
– due over the first to the second years	10,361	12,430
– due over the second to the fifth years	40,102	12,474
– due after the fifth year	46,296	77,471
	113,868	122,440
Less: portion due within one year included under current liabilities	(17,109)	(20,065)
Portion due after one year included under non-current liabilities	96,759	102,375

As at 30th June, 2025 and 31st December, 2024, all lease liabilities are effectively secured by the related underlying assets as the right-to-use assets would be reverted to the lessors in the event of default of repayment by the Group.

24. SHORT-TERM BANK BORROWINGS

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Secured short-term bank borrowings	–	100,000
Unsecured short-term bank borrowings	130,000	230,000
	130,000	330,000

The short-term bank borrowings as at 30th June, 2025 were interest-bearing at rates from 3.05% to 3.25% (As at 31st December, 2024: 2.85% to 4.75%) and repayable from 3rd July, 2025 to 24th July, 2025 (As at 31st December, 2024: from 7th January, 2025 to 5th March, 2025).

As at 30th June, 2025, all short-term bank borrowings were bank borrowings of RMB130,000,000 (As at 31st December, 2024: RMB140,000,000) from a non-controlling interest of BBAFC. As at 31st December, 2024, secured short-term bank borrowings were secured by the Group's loan receivables of approximately RMB126,200,000.

25. PROVISION FOR LOSS

The provision for loss represents the estimated loss from the events of unauthorised guarantees provided by Shenyang JinBei Automotive Industry Holdings Co., Ltd ("SJAI"), a subsidiary of the Group, to four creditor banks as security for the bank borrowings of Huachen after its default on repayment to the creditor banks.

Based on the court judgements, SJAI has to bear 50% of the undischarged bank borrowings under the unauthorised guarantees that Huachen eventually fails to repay. Although restructuring plan of Huachen was announced it is in the process of realising its assets and settling its debts to its creditors as required by the restructuring plan, it is still uncertain whether Huachen will be able to settle all of these bank borrowings under these unauthorised guarantees. Accordingly, the Group recognised the provision of approximately RMB1,917,062,000 in prior years for the respective losses which is 50% of the bank facilities utilised under these unauthorised guarantees plus the related legal costs.

The Group has accumulatively settled debts and related legal costs in aggregate of approximately RMB1,362,863,000 up to 30th June, 2025 to four creditor banks based on the assumption that Huachen will be able to settle the remaining 20% of the guaranteed bank borrowing portion. The management considered the provision is sufficient and necessary until the future completion of Huachen's financial restructuring process.

26. **SHARE CAPITAL**

	(Unaudited)		(Audited)	
	As at 30th June, 2025		As at 31st December, 2024	
	Number of shares '000	Amount US\$'000	Number of shares '000	Amount US\$'000
Authorised:				
Ordinary shares at par value of US\$0.01 each	8,000,000	80,000	8,000,000	80,000

	(Unaudited)		(Audited)	
	As at 30th June, 2025		As at 31st December, 2024	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Issued and fully paid:				
Ordinary shares at par value of US\$0.01 each				
At beginning of period/year and reporting date	5,045,269	397,176	5,045,269	397,176

The Company had no outstanding share option at both 30th June, 2025 and 31st December, 2024.

27. **RESERVES**

(a) **Hedging reserve**

It represents the Group's share of the hedging reserve in the equity of an associate. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gains or losses on remeasurement of the derivative financial instrument to fair value are recognised in other comprehensive income and accumulated separately in equity in the hedging reserve.

(b) **Capital reserve**

Capital reserve represents dedicated capital of a subsidiary of the Group, Shenyang XingYuanDong Automobile Component Co., Ltd. ("Xing Yuan Dong"), released for capitalisation of paid-up registered capital as approved by the board of directors in accordance with the relevant laws and regulations in prior years. Such release of dedicated capital is credited to the capital reserve.

(c) **Retained earnings**

The Group's retained earnings at 30th June, 2025 included an amount of approximately RMB1,737,066,000 (*As at 31st December, 2024: approximately RMB1,737,066,000*) reserved by the subsidiaries in the PRC in accordance with relevant PRC regulations. The PRC laws and regulations require companies registered in the PRC to allocate 10% of their profits after tax (determined under PRC GAAP) to their respective statutory reserves. No allocation to the statutory reserves is required after the balance of such reserve reaches 50% of the registered capital of the respective companies. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's production operations, or to increase the capital of the company.

28. CONNECTED AND RELATED PARTY TRANSACTIONS

Related parties include those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. The Group is subject to the control of the PRC Government.

In accordance with HKAS 24 (Revised) "Related Party Disclosures", other state-owned enterprises and their subsidiaries, directly or indirectly controlled by the PRC Government ("**government-related entities**") are regarded as related parties of the Group.

For the related party transactions disclosure purpose, an affiliated company is a company in which one or more of the directors or substantial shareholders of the Company have direct or indirect beneficial interests in the company or are in a position to exercise significant influence over the company, including joint ventures and associates of the Group. Parties are also considered to be affiliated if they are subject to common control or common significant influence.

In addition to the related party information shown elsewhere in the consolidated interim financial statements, the following is a summary of significant related party transactions entered into in the ordinary and usual course of business and balances between the Group and its related parties, including other government-related entities.

During the period under review, the Group had significant transactions and balances with the following related parties, some of which are also deemed to be connected persons pursuant to the Listing Rules.

Name	Relationship
Shenyang Automobile	Major shareholder of the Company
The Bank of East Asia (China) Limited (" BEAC ")	An affiliated company of Bank of East Asia and CaixaBank S.A., collectively holding 45% of BBAFC

- (a) The related party transactions in respect of items listed below also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules:

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB '000	RMB '000
Transactions with affiliated companies of Shenyang Automobile:		
– Sales of goods	15,330	–
– Purchases of goods	284	–
– Service fee to	6,455	188
– Consideration of acquiring property, plant and equipment	48,146	–
– Lease payments rent*	391	286
Service fee from BEAC	–	4,268
Interest payment to a non-controlling interest of BBAFC*	2,287	13,151

* These transactions are fully exempt from announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

28. **CONNECTED AND RELATED PARTY TRANSACTIONS (Cont'd)**

- (b) In addition to the above or as disclosed elsewhere in these consolidated interim financial statements, the Group also had the following material related party transactions:

	(Unaudited)	
	For the six months ended	
	30th June,	
	2025	2024
	RMB'000	RMB'000
Sales of goods to associates	6,312	8,324
Purchases from associates	18,097	–

The above transactions were carried out after negotiations between the Group and the affiliated companies in the ordinary course of business and on the basis of estimated market value as determined by the directors.

- (c) As at 30th June, 2025, the Group's accounts receivable from affiliated companies consisted of the following:

	(Unaudited)	(Audited)
	As at	As at 31st
	30th June,	December,
	2025	2024
	RMB'000	RMB'000
Accounts receivable from related parties:		
– Affiliated companies of Shenyang Automobile	26,592	20,969
– Associates	3,166	1,397
	29,758	22,366
Less: ECL allowance	(19,273)	(21,004)
	10,485	1,362

The Group's credit policy is to offer credit to affiliated companies following financial assessment and established payment track record. These affiliated companies are generally required to settle 25% to 33% of the previous month's ending balances.

The directors consider that the fair values of accounts receivable from affiliated companies which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception. The fair values are within level 2 of the fair value hierarchy.

28. CONNECTED AND RELATED PARTY TRANSACTIONS (Cont'd)

(c) (Cont'd)

The aging analysis of accounts receivable due from affiliated companies based on invoice date is as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Less than six months	17,384	1,397
Above two years but less than five years	131	7,303
Five years or above	12,243	13,666
	29,758	22,366

(d) As at 30th June, 2025, the Group's notes receivable from an affiliated company arising from trading activities consisted of the following:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Notes receivable from an associate	503	3,703

All notes receivable from affiliated companies are guaranteed by established banks in the PRC and have maturities of six months or less from 30th June, 2025 (*As at 31st December, 2024: same*).

For the same reason as stated in note 20, the notes receivable from affiliated companies are classified as financial assets at FVOCI (recycling) and stated at fair value. The fair value is within level 2 of the fair value hierarchy.

(e) As at 30th June, 2025, the amounts due from affiliated companies consisted of:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Amounts due from related parties:		
– Associates	946,131	989,168
– Xinhua Investment Holdings Limited ("Xinhua Investment")	364,924	364,924
– Affiliated companies of Shenyang Automobile	57,100	48,742
– Non-controlling interests of a subsidiary	45,457	45,338
	1,413,612	1,448,172
Less: ECL allowance	(1,350,241)	(1,384,202)
	63,371	63,970

The amounts due from affiliated companies are unsecured, interest-free and repayable on demand.

28. CONNECTED AND RELATED PARTY TRANSACTIONS (Cont'd)

(e) (Cont'd)

As at 30th June, 2025, the ECL allowance were provided for the following affiliated companies:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
– Associates	945,426	987,944
– Xinhua Investment	364,923	364,923
– Affiliated companies of Shenyang Automobile	39,892	31,335
	1,350,241	1,384,202

(f) As at 30th June, 2025, accounts payable to affiliated companies arising from trading activities consisted of the following:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Accounts payable to related parties:		
– Associates	2,486	2,844
– Affiliated companies of Shenyang Automobile	6,993	7,700
	9,479	10,544

The accounts payable to affiliated companies are unsecured and non-interest bearing. Accounts payable to affiliated companies are generally settled on a monthly basis at 25% to 33% of the previous month's ending balance. The aging analysis of accounts payable to affiliated companies based on invoice date is as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Less than six months	306	–
Two years or above	9,173	10,544
	9,479	10,544

28. **CONNECTED AND RELATED PARTY TRANSACTIONS (Cont'd)**

- (g) As at 30th June, 2025, amounts due to affiliated companies consisted of the following:

	(Unaudited) As at 30th June, 2025 <i>RMB'000</i>	(Audited) As at 31st December, 2024 <i>RMB'000</i>
Amounts due to related parties:		
– Huachen and its affiliated companies	168	69
– Affiliated companies of Shenyang Automobile	15,170	18,414
– Non-controlling interests of subsidiaries	1,744	2,704
	17,082	21,187

Amounts due to affiliated companies are unsecured, non-interest bearing and repayable on demand.

- (h) Dividend receivable from an affiliated company at 30th June, 2025 represents the dividend receivable from BBA.
- (i) Prepayments to an affiliated company for property, plant and equipment at 30th June, 2025 represents prepayments paid by the Group to an associate of the Group.
- (j) Deposits to an affiliated company 30th June, 2025 represents deposits paid to an associate of the Group for purchases of raw materials.
- (k) Transactions and balances with other state-owned enterprises in the PRC

The Group operates in an economic environment predominated by government-related entities. During the period under review, the Group had entered into various transactions with government-related entities including, but not limited to, sales of automotive components, purchases of raw materials and automotive components, and utilities services.

The directors consider that transactions with other government-related entities are activities in the ordinary course of the Group's business, and that the dealings of the Group have not been significantly or unduly affected by the fact that the Group and other government-related entities are ultimately controlled or owned by the PRC Government. The Group has established pricing policies for its products and services, and such pricing policies do not depend on whether or not the customers are government-related entities. Having due regard to the substance of the relationships, the directors are of the opinion that none of these transactions are material related party transactions that require separate disclosure except for the transactions with government-related entities as disclosed above and majority parts of bank balances, short-term and pledged short-term deposits with and bank borrowings, general banking facilities and utilities services from state-owned financial institutions. The directors are of the opinion that such transactions were conducted in the ordinary course of business and in accordance with normal commercial terms.

29. COMMITMENTS

(a) Capital commitments

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Contracted but not provided for:		
– Acquisition of property, plant and machinery and intangible assets	210,786	164,873
– Capital injection into the new joint venture	–	700,000
	210,786	864,873

(b) Operating lease commitments

As at 30th June, 2025, the Group's lease commitments as lessee for short-term leases are as follows:

	(Unaudited) As at 30th June, 2025 RMB'000	(Audited) As at 31st December, 2024 RMB'000
Within one year	5	23

MANAGEMENT'S DISCUSSION & ANALYSIS

Business Discussion and Analysis

The unaudited consolidated revenue of the Group (which comprised primarily net sales derived from the businesses operated by our major operating subsidiaries including Ningbo Yumin, Mianyang Ruian, BBAFC and JSA) for the six months ended 30th June, 2025 was RMB561.7 million, representing an increase of 8.4% from RMB518.0 million generated during the same period in 2024. The main reason for the increase in revenue was due to stable increasing orders from electric and hybrid motor vehicle manufacturers. The increase was partially offset by the decrease in revenue from motor vehicle financing due to increasing market competition.

Unaudited cost of sales increased by 13.0% from RMB414.5 million for the first six months of 2024 to RMB468.2 million for the same period in 2025. The unaudited gross profit of the Group decreased by 9.7% from RMB103.6 million for the first six months of 2024 to RMB93.5 million for the same period in 2025. As a result of the above changes, the unaudited gross profit margin of the Group reduced to 16.6% for the first half of 2025 compared to 20.0% for the same period last year. A new customer with large orders was solicited for new non-BMW automotive components. To accommodate the production of these new orders, additional initial set up costs such as redesign of production lines were incurred. In addition, revenue from the sale of JSA's minibuses and multipurpose vehicles just kicked off in the period following the upgrade and refinement works of its production facilities and therefore was not yet sufficient to cover the fixed cost components within the respective cost of sales. These factors drove down the overall gross margin in the six months ended 30th June, 2025.

Unaudited other income increased by 82.7% from RMB8.1 million for the first six months of 2024 to RMB14.8 million for the same period in 2025. The increase was mainly due to recovery of assets of the Group previously written off.

Unaudited interest income decreased by 73.5% from RMB295.2 million for the first six months of 2024 to RMB78.2 million for the same period in 2025. The decrease was attributed to decrease in interest rates and the overall bank deposits and cash and cash equivalents.

Unaudited selling expenses increased by 167.2% from RMB12.5 million for the first half of 2024 to RMB33.4 million for the same period in 2025. The increase in selling expenses was due to the launch of new campaign to promote the JSA's non-BMW motor vehicles.

Unaudited general and administrative expenses increased by 58.5% from RMB176.6 million for the first six months of 2024 to RMB279.9 million for the same period in 2025. The increase was because the administrative expenses of JSA in the same period last year were only accounted for since its re-consolidation into the Group in June 2024. Also as mentioned above, JSA just kicked off its production and therefore certain supporting expenses such as research and development expenses for its new models were necessary. In addition, impairment loss on moulds was recognised in the six months ended 30th June, 2025.

Unaudited net ECL allowance on loans and receivables recognised in the first half of 2025 amounted to RMB0.6 million, a decrease of 95.7% from RMB13.9 million for the same period of 2024. Although there was increase in ECL allowance recognised for the loans receivable of BBAFC, it was more than offset by further write-back of ECL allowance for the amounts due from affiliated companies as a result of further settlements from these affiliated companies. As a result, there was a decrease in ECL allowance in the six months ended 30th June, 2025.

Unaudited finance costs increased by 300.0% from RMB0.8 million for the first six months of 2024 to RMB3.2 million for the same period in 2025 which was mainly contributed by the increase in the finance charge on the lease liabilities. As all the bank borrowings of the Group during the first half of 2024 and 2025 were only for the motor vehicle financing business and the respective interest expense so derived was recognised as the cost for the respective business. Accordingly, the respective interest expense on the bank borrowings was not included in finance costs.

The Group's unaudited share of results of associates, which included the recognition of BBA contribution as the Group's associate, decreased by 25.1% from RMB2,734.7 million for the first half of 2024 to RMB2,048.5 million for the same period in 2025. The decrease was mainly a result of the drop of performance of BBA.

BBA achieved local sales of 260,455 units in the first six months of 2025, a decrease of 16.7% as compared to 312,730 BMW vehicles sold in the same period in 2024. The local sales volumes of BBA by models are listed in the table below:

BBA BMW Models	1H2025 (Units)	1H2024 (Units)	Change
1-series	2	81	-97.5%
2-series	5,030	–	N/A
3-series	85,486	103,099	-17.1%
5-series	61,127	43,660	40.0%
X1	32,588	51,289	-36.5%
X2	2	298	-99.3%
X3	37,188	68,562	-45.8%
X5	39,032	45,741	-14.7%
Total	260,455	312,730	-16.7%
Of which BEVs	27,591	50,750	-45.6%

In addition, BBA exported 1,550 units, mainly X3 BEV models, to overseas in the first half of 2025, a decrease of 88.9% from 13,967 units sold overseas for the same period of 2024.

During the first half of 2025, the Group invested RMB700 million for 50% equity interest in a joint venture, Yuxin with the principal activity of the development and manufacturing of intelligent cockpit and display assembly business. The Group shared a loss of RMB11.6 million of this joint venture in the period.

The Group's unaudited profit before income tax expense decreased by 35.1% from RMB2,937.8 million for the first half of 2024 to RMB1,906.3 million for the same period in 2025. Unaudited income tax expense was RMB252.0 million for the first half of 2025 as compared to that of RMB1,472.1 million for the first half of 2024 which was mainly due to the less withholding tax paid on the decrease in dividend paid by subsidiaries during the period when comparing to the same period in 2024.

As a result of the above, the Group recorded an unaudited profit attributable to equity holders of the Company of RMB1,701.4 million for the first half of 2025, compared to RMB1,473.3 million for the same period in 2024. Unaudited basic earnings per share for the six months ended 30th June, 2025 amounted to RMB0.33723 compared to RMB0.29201 for the same period in 2024.

Prospects

China's economy demonstrated a stable expansion in the first half of 2025, notwithstanding challenges from both domestic and international quarters. As per data from the National Bureau of Statistics, the country's GDP grew by 5.3% year-on-year during this period, reaching RMB66.05 trillion. In the second quarter of 2025, China's GDP grew at 5.2%, and on a quarterly basis, the economy expanded by 1.1% compared to the first quarter. Overall, China's economy retained its resilience and adaptability in the face of various challenges.

According to the China Association of Automobile Manufacturers, total Chinese vehicle sales increased by 11.4% to 15.653 million units in the first six months of 2025. Out of this, passenger vehicle sales accounted for 13.531 million units, an increase of 13% from the same period last year. Sales of new energy vehicles ("**NEVs**") reached 6.94 million units, an increase of 40.3% from the same period last year.

Due to the intense competition in China, BBA's total sales volume was reduced by 16.7% during the first half of 2025. It achieved a local sales and exports volume of 260,455 units and 1,550 units, respectively, for the first half of 2025. In the first half of 2025, BBA introduced several new models to its lineup. The all-new X3 comes with a long wheelbase exclusively for Chinese customers and is more than ever focused on the wishes of Chinese customers. The all-new BMW 2 Series Gran Coupe is the first locally produced Gran Coupe model from BMW. The all-new BMW M235L Gran Coupe is the first locally produced M performance sedan and the youngest and newest member of the M family.

BBA is moving quickly in preparation for the commencement of production of the "Neue Klasse" model in 2026. Currently, the locally produced Neue Klasse test vehicles have completed their first extreme cold-weather challenge, and over 300 test vehicles are undergoing rigorous validation and testing across more than 400 cities nationwide in China, to ensure safe and reliable products and driving experiences for customers.

Despite various external uncertainties and intensive market competition in 2025, BBA continued to deliver solid results for the year and committed to the long-term approach for its development in China. BBA continued its momentum in meeting customer demands and demonstrated the brand's essence of "Sheer driving pleasure" with premium-quality products through the teams' continued efforts and determination, and working closely with other entities within the BMW Group. BBA is also continuously enhancing its supplier network in China and consistently implementing its "local for local" approach.

JSA has resumed production of models such as Haise (海獅), Haise King (海獅王), and electric vehicles (“EVs”). The focus will be on gradually achieving capacity ramp-up and continuously completing the resumption plan of compressed natural gas vehicles, commercial vehicles, and overseas customized products. JSA plans to optimize domestic and foreign sales channels and after-sales service systems, and continue to explore opportunities for complete vehicle exports.

BBAFC, our auto finance subsidiary in China, faces challenges as banks enter the auto finance sector, including intensified competition for high-credit customers, squeezed profit margins due to price wars, and limited capital compared to banks. To address these, BBAFC is looking for new business models and cheaper funding sources to address the challenges. Also, the company is enhancing its risk management to handle riskier clients effectively.

The price war in the automotive market has led to continuous compression of Mianyang Ruian’s profitability, due to the decrease in the price of new casting camshafts. The company’s performance has significantly intensified. In the face of challenges, the company will focus on the “three focuses” (focusing on new market product development, focusing on cost control, and focusing on safety production to ensure delivery). In the first half of 2025, Mianyang Ruian started two new automated line construction projects and capacity improvement projects aimed at achieving the annual indicators, ensuring the revenue targets are met, and striving to achieve profit goals.

In 2025, Ningbo Yumin will further deepen its cooperation with OEMs such as BYD, focusing on the development of lightweight aluminum alloy new products for multiple models. While maintaining good relationships with current customers, Ningbo Yumin will actively seek new opportunities, explore potential customers, and continue to develop traditional product businesses such as sunroof tracks and sunshade curtain tracks, ensuring that it can meet the goal of accepting new products for the full year, while focusing on the development of overseas export market businesses.

Construction of the production base of Yuxin, our new joint venture with TCL Hengshi Tianrui Investment (Ningbo) Co., Ltd. (“**TCL Ningbo**”) in Dadong District, Shenyang, will be completed and gradually be put into use in the second half of 2025. In terms of business, the intelligent cockpit products and intelligent display products developed by the joint venture for ZEEKR are expected to be officially mass-produced shortly. The joint venture will continue to focus on the research and development, production, and sales of related products in the fields of intelligent vehicle display and intelligent cockpit, quickly expand new businesses, and rely on the resources and advantages of both shareholders to help customers provide users with a better driving experience.

Liquidity and Financial Resources

As at 30th June, 2025, the Group had RMB5,857.0 million in cash and cash equivalents (*As at 31st December, 2024: RMB10,539.6 million*). There were no statutory deposit reserves at central bank (*As at 31st December, 2024: RMB42.5 million*), and RMB1,236.2 million in short-term bank deposits (*As at 31st December, 2024: RMB582.1 million*).

Among the short-term bank deposits, RMB748.0 million was time deposits (*As at 31st December, 2024: nil*) and RMB488.2 million was pledged and restricted short-term bank deposits as at 30th June, 2025 (*As at 31st December, 2024: RMB582.1 million*).

As at 30th June, 2025, the Group had accounts payable in the amount of RMB321.0 million (*As at 31st December, 2024: RMB260.4 million*). As at 30th June, 2025, the Group had notes payable in the amount of RMB178.6 million (*As at 31st December, 2024: RMB279.9 million*).

As at 30th June, 2025, the Group had outstanding short-term bank borrowings of RMB130.0 million (*As at 31st December, 2024: RMB330.0 million*). As at 30th June, 2025, the Group did not have long-term bank borrowings due over one year (*As at 31st December, 2024: nil*).

All short-term bank borrowings as at 30th June, 2025 were due within one year, being repayable from 3rd July, 2025 to 24th July, 2025 (*As at 31st December, 2024: repayable from 7th January, 2025 to 5th March, 2025*). As at 30th June, 2025, these borrowings were interest-bearing at rates ranging from 3.05% to 3.25% per annum, and were denominated in Renminbi (*As at 31st December, 2024: 2.85% to 4.75% per annum, Renminbi*).

As at 30th June, 2025, all short-term bank borrowings of RMB130.0 million (*As at 31st December, 2024: RMB140.0 million*) were from a non-controlling interest of BBAFC. As at 30th June, 2025, there was no secured short-term bank borrowings (*As at 31st December, 2024: RMB100.0 million short-term bank borrowings secured by the Group's loan receivables of approximately RMB126.2 million*).

With the aim to improving its liquidity, the Group regularly monitors its accounts receivable turnover and inventory turnover. For the six months ended 30th June, 2025, the Group's accounts receivable turnover and inventory turnover were 139 days (*Year ended 31st December, 2024: 123 days*) and 119 days (*Year ended 31st December, 2024: 77 days*), respectively.

Capital Structure and Funding Policies

As at 30th June, 2025, the Group's total assets was approximately RMB27,406.4 million (*As at 31st December, 2024: approximately RMB29,105.7 million*), which was funded by the following: (a) share capital of RMB397.2 million (*As at 31st December, 2024: RMB397.2 million*), (b) reserves of RMB24,215.3 million (*As at 31st December, 2024: RMB25,663.8 million*), (c) total liabilities of RMB1,804.2 million (*As at 31st December, 2024: RMB2,007.8 million*) and (d) contribution from non-controlling interests of RMB989.7 million (*As at 31st December, 2024: RMB1,036.9 million*).

As at 30th June, 2025, 84.5% (*As at 31st December, 2024: 91.0%*) of the Group's cash and cash equivalents (comprising cash on hand, bank balances and demand deposits within 3 months of maturity when acquired) were denominated in Renminbi, whereas 15.5% (*As at 31st December, 2024: 9.0%*) were denominated in other currencies. The increase of proportion in foreign currencies was mainly due to the drop in cash and cash equivalents in Renminbi. Apart from the bank borrowings mentioned above, as at 30th June, 2025, the Group did not have any committed banking facilities (*As at 31st December, 2024: same*).

The Group funds its short-term working capital requirement mainly through its own operational cash flow, short-term bank borrowings, issue of bank guaranteed notes and payment credit from its suppliers. The Group monitors and maintains a level of cash and cash equivalents considered adequate by the management to finance the Group's operations, expected expansion and product developments. Management also monitors the utilisation of bank borrowings and ensures compliance with loan covenants. For long-term capital expenditures, the Group's strategy is to fund these long-term capital commitments by a combination of operational cash flow, bank borrowings, dividends from joint ventures and associates, if any, and fund raising exercises in the capital market, if and when necessary.

Capital Expenditures and Commitments

For the first six months of 2025, the Group incurred capital expenditures of RMB1,248.5 million (*Six months ended 30th June, 2024: RMB35.4 million*) mainly for acquisition of both owned and right-of-use assets of tools and moulds, machinery and equipment, construction-in-progress, specialised software and investment in a new associate and a joint venture.

As at 30th June, 2025, the Group's contracted capital commitments amounted to RMB210.8 million related to the capital expenditures in respect of acquisition of plant and machinery (*As at 31st December, 2024: RMB164.9 million mainly related to acquisition of plant and machinery and intangible assets and RMB700 million related to investment in a joint venture*).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

New Investments made during the reporting period

JSA

Reference is made to the announcement issued by the Company on 20th March, 2025 in relation to further capital contribution to JSA.

As announced, on 20th March, 2025, the Board has approved to make a capital contribution to JSA in the amount of RMB500 million in cash. The change in industrial and commercial registration was completed on 7th July, 2025 and the Group's interest in JSA has increased from 80.72% to 87.3364%.

The principal businesses of JSA is the manufacture and sale of minibuses and multipurpose vehicles in the PRC. The total assets of JSA attributed to approximately 8.95% of the total assets of the Group as at 30th June, 2025. During the reporting period, JSA has completed the upgrade and refinement works of production facilities, and resumed production of vehicles models such as Haise, Haise King, and EVs, and yet to generate profit.

For the Company's investment strategy in JSA and its performance during the six months ended 30th June, 2025, please refer to the sections headed "Prospects" and "Business Discussion and Analysis" of this report.

Existing Investments

BBA

As at 30th June, 2025, the Group held 25% shareholding in BBA, with an investment cost of RMB344 million. The principal businesses of BBA is the manufacture and sale of BMW vehicles and components in the PRC. The carrying value of the shares held by the Group in BBA was RMB10,885.0 million, accounting for 39.7% of the Group's total assets. During the first half of 2025, the Group's share of profit from BBA was RMB2,051.6 million, representing a year-on-year decrease of 25%. The Group has received dividend of RMB2,143.96 million from BBA during the first half of 2025. The Group also received further dividend of RMB2,143.96 million from BBA on 11th August, 2025. For the Company's investment strategy in BBA and its performance during the six months ended 30th June, 2025, please refer to the sections headed "Prospects" and "Business Discussion and Analysis" of this report.

Yuxin

As announced by the Company on 31st December, 2024, SJAI has signed a strategic joint venture agreement to form a joint venture namely Yuxin with TCL Ningbo on 31st December, 2024 and completed the closing on 21st April, 2025 to engage in the development and manufacturing of intelligent cockpit and display assembly business in the PRC. As at 30th June, 2025, the Group held 50% shareholding in Yuxin, with an investment cost of RMB700 million in cash. The carrying value of the shares held by the Group in Yuxin was RMB688.4 million, accounting for 2.51% of the Group's total assets as at 30th June, 2025. The first intelligent cockpit products and intelligent display products developed by Yuxin have already been officially mass-produced. For the Company's investment strategy in Yuxin and its performance during the six months ended 30th June, 2025, please refer to the sections headed "Prospects" and "Business Discussion and Analysis" of this report.

Save as aforesaid, there were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30th June, 2025.

New Business and New Products

The Company is committed to seizing valuable investment opportunities with the aim of boosting profitability and creating value for its shareholders. It is currently engaged in studying and exploring diverse investment prospects.

In the second half of the year, BBA will continue to work closely with the BMW Group to accelerate the development of a new generation of vehicles, which is referred to as the "Neue Klasse." This innovative series of model, set to begin local production in 2026, represents a significant leap forward for the BMW brand. The first locally produced model from this series will be manufactured at the Lydia site of our Shenyang production base, and it will be a sports activity vehicle. With the "Neue Klasse", the BMW brand is going to redefine standards for digitalisation, innovation, and design.

JSA completed the capital increase by SJAI and the related changes in industrial and commercial registration in respect of shareholding in July 2025 and following which the Group's equity interest in the company increased from 80.72% to 87.3364%. The business registration of, and the capital contribution of RMB240 million to a joint venture company with Zhejiang Geely Farizon New Energy Commercial Vehicles Group Co., Ltd. were completed in April and early May 2025, respectively. JSA is focusing on replacement and modification, the operation and production have resumed and upgrades have been completed for production process, thus creating a flexible, automated, and digitalised factory. Haise, Haise King, EVs and other models were successively put into production. In terms of sales network, 80 dealers and 105 service stations were restored domestically and overseas channels are gradually being restored and developed.

As the Group's auto finance arm in China, BBAFC is doubling down on strategic focus in the NEV sector – a domain it sees as brimming with business potential and a key avenue to back sustainable “green” efforts. Yet the automotive landscape is growing ever more cutthroat: intense price wars among top brands are squeezing margins across the auto finance industry, stoking market worries over slumping sales, rising credit risks, and shrinking profitability. To navigate this shifting terrain, BBAFC is staying nimble – capitalizing on promising trends while rolling out targeted measures to counter headwinds. Beyond partnerships, BBAFC is boosting operational efficiency through its digital strategy – trimming organizational layers and refining cost structures to drive leaner, smarter operations.

In the first half of this year, Ningbo Yumin secured 12 new product orders, including, among others, sunroof guiderails for the BBA new generation X5, sunroof guiderails for the Beijing Benz GLE, and curtain guiderail series for the new Mercedes-Benz Van Electric Architecture (VAN.EA), etc. Additionally, the company has welcomed 2 new customers during the period. The aluminium alloy lightweight products for multiple BYD models have been put into mass production and delivery.

In 2025, Mianyang Ruian will continue to ensure sustainable and steady sales by carrying on with its principle of “stabilising old markets and capturing new markets”. Market development will continue to focus on ensuring the stable delivery to Li Auto, FAW and SAIC and deeply involving in their related pre-research and new product development projects, and actively facilitating the smooth progress of mass production of new projects with its customers including SAIC, Great Wall and Geely to guarantee new sales in 2025.

With regard to Yuxin, its intelligent cockpit products and intelligent display products developed for ZEEKR are expected to be officially mass-produced shortly.

The Company is exploring new projects related to auto industry and its new development to enable us to diversify our investment portfolio and strengthen new business income sources.

Employees, Remuneration Policy and Training Programmes

The Group employed approximately 1,890 employees as at 30th June, 2025 (*As at 30th June, 2024: 1,400*). Employee costs amounted to RMB145.6 million for the six months ended 30th June, 2025 (*Six months ended 30th June, 2024: RMB116.2 million*). The Group will endeavour to ensure that the salary levels of its employees are in line with industry practices and prevailing market conditions, and that employees' remuneration is based on performance.

In order to improve the overall quality and professional technical level of all employees, the Group provides online or offline trainings on, among other things, professional skills, quality enhancements, business and product knowledge, occupational ethics and safety, environmental, social and governance issues, anti-corruption, rules and regulations, management skills, leadership and teamwork cooperation to its directors/employees from time to time. Ningbo Yumin and Mianyang Ruian have formulated and implemented administrative measures for education and training, and have established a set of training systems and workflows including new employee induction training, special post personnel training, management training, professional technical training and quality training. The course contents are extensive, covering basic/middle-level management, new product development, quality management, financial management, lean production, teamwork, and professionalism. Training demand research are conducted and training plans are formulated on an annual basis. BBAFC has specifically arranged compliance training, business training, new hire training, paired with online courses, meeting the learning needs of the employees. It has even developed its own online training platform, allowing its employees to browse training and financial product knowledge materials, reducing the travel needs for sales and training teams. BBAFC has also developed a succession plan which lays a solid foundation of talent for its long-term development.

Charge on Assets

As at 30th June, 2025, all short-term bank borrowings were unsecured (*As at 31st December, 2024, short-term bank borrowings of RMB100.0 million were secured by the Group's loan receivables of approximately RMB126.2 million*).

In addition, as at 30th June, 2025, the Group pledged short-term bank deposits in an aggregate amount of RMB141.0 million (*As at 31st December, 2024: RMB234.9 million*), and pledged bank guaranteed notes receivable from third parties and related parties of approximately RMB38.1 million (*As at 31st December, 2024: approximately RMB45.6 million*) to secure the issue of bank guaranteed notes.

As detailed in note 18 to the unaudited consolidated interim financial statements, up to 30th June, 2025, the Group has made accumulated settlements of approximately RMB1,362,863,000 (*As at 31st December, 2024: approximately RMB1,362,863,000*) directly out of the restricted short-term deposits according to the order of the PRC courts due to the lawsuits of the unauthorised guarantees events. The respective restricted short-term deposits were reduced to approximately RMB347,200,000 at 30th June, 2025 (*As at 31st December, 2024: approximately RMB347,200,000*).

The directors of the Company have assessed the respective liabilities and adequate provision and liabilities have been recognised in the unaudited consolidated interim financial statements. The directors of the Company considered the respective provision and liabilities are adequate.

Future Plans for Material Investments or Additions of Capital Assets

Save as disclosed, the Group does not have future plans for material investments or additions of capital assets as at the date of this report.

Gearing Ratio

As at 30th June, 2025, the gearing ratio, computed by dividing total liabilities by total equity attributable to equity holders of the Company, was approximately 0.07 (*As at 31st December, 2024: approximately 0.08*). The decrease in the gearing ratio was primarily due to a decrease in current liabilities mainly resulted from a decrease in short-term bank borrowings at 30th June, 2025.

Foreign Exchange Risks

As the Group's substantial transactions during the period were denominated in Renminbi, the Group considers that exchange rate fluctuations do not have significant effect on the overall financial performance of the Group. To reduce the risk in exchange rate fluctuation in dividend distribution and future potential investments that may require Hong Kong Dollars, the Company has maintained certain amount of cash and cash equivalents in Hong Kong Dollars. The Group will continue to monitor transactions and monetary assets and liabilities denominated in foreign currencies to minimise foreign exchange risks. There were no outstanding hedging transactions as at 30th June, 2025 (*As at 31st December, 2024: nil*).

Contingent Liabilities

The Group did not have any contingent liabilities as at 30th June, 2025.

DIVIDENDS

As announced by the Company on 3rd March, 2025, the Board declared a special dividend of HK\$1.0 per ordinary share of the Company to shareholders whose names appeared on the register of members of the Company as at Wednesday, 19th March, 2025. The special dividend was paid on Friday, 28th March, 2025.

The Board is pleased to declare 2025 interim dividend of HK\$0.8 (the “**Dividend**”) per ordinary share of the Company to shareholders whose names appear on the register of members of the Company as at Tuesday, 9th September, 2025 (2024: nil). The Dividend is expected to be paid on Friday, 26th September, 2025.

CLOSURE OF REGISTER OF MEMBERS

To determine entitlements to the Dividend, the register of members of the Company will be closed from Monday, 8th September, 2025 to Tuesday, 9th September, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date for the Dividend is Tuesday, 9th September, 2025. In order to qualify for the Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m., Hong Kong time, on Friday, 5th September, 2025.

UPDATE ON DIRECTORS’ INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the directors of the Company since the date of the 2024 annual report up to present is set out below:

- Mr. Zhang Wei was appointed as the chairman of BBAFC with effect from 24th March, 2025.
- Dr. Lam Kit Lan, Cynthia has been appointed as a member of the nomination committee of the Board with effect from 20th June, 2025.
- Mr. Zhang Yue resigned as the general manager and executive director of Huachen with effect from 10th July, 2025.

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

As at 30th June, 2025, so far as is known to the directors or chief executives of the Company, the following persons other than a director or chief executive of the Company had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”):

Name of shareholders	Long position	%	Number and class of shares held/ Approximate shareholding percentage (Note 1)			
			Short position	%	Lending pool	%
First Beijing Investment Limited (Note 2)	253,116,000 ordinary	5.02	-	-	-	-
Shenyang Sanshi Automotive Industry Development Co., Ltd. ("Shenyang Sanshi") (Note 3)	1,512,875,802 ordinary	29.99	-	-	-	-
Huachen (Note 4)	1,512,875,802 ordinary	29.99	-	-	-	-
Shenyang Automobile (Note 4)	1,512,875,802 ordinary	29.99	-	-	-	-
Shenyang Cairui Automobile Industry Development Partnership Enterprise (Limited Partnership) ("Shenyang Industry Partnership") (Note 4)	1,512,875,802 ordinary	29.99	-	-	-	-
Liaoning Financial Holding Group Co., Ltd. ("Liaoning Financial") (Note 4)	1,512,875,802 ordinary	29.99	-	-	-	-
Shenyang Cairui Investment Co., Ltd ("Shenyang Cairui Investment") (Note 5)	1,512,875,802 ordinary	29.99	-	-	-	-
Shenyang Shengjing Financial Holding Investment Group Co., Ltd ("Shenyang Shengjing") (Note 5)	1,512,875,802 ordinary	29.99	-	-	-	-
Shenyang Metro Co., Ltd. ("Shenyang Metro") (Note 5)	1,512,875,802 ordinary	29.99	-	-	-	-
Liaoning Provincial Transportation Investment Group Co. Ltd. ("LPTI") (Note 6)	600,000,000 ordinary	11.89	-	-	-	-
Liaoning Transportation Investment Co., Ltd. ("LTI") (Note 6)	600,000,000 ordinary	11.89	-	-	-	-

Notes:

- (1) The percentage of shareholding is calculated on the basis of 5,045,269,388 shares in issue of the Company as at 30th June, 2025.
- (2) According to the disclosure of interest notice filed by First Beijing Investment Limited on 12th May, 2025, the 253,116,000 shares in long position were held in the capacity as investment manager.
- (3) According to the disclosure of interest notice filed by Shenyang Sanshi on 14th June, 2024, the 1,512,875,802 shares in long position were held in the capacity as beneficial owner.
- (4) According to the disclosure of interest notice filed by Liaoning Financial on 14th June, 2024, Shenyang Sanshi is a direct wholly-owned subsidiary of Huachen, which is in turn a direct wholly-owned subsidiary of Shenyang Automobile. Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership and which is in turn indirectly owned as to 48.86% by Liaoning Financial. Each of Liaoning Financial, Huachen, Shenyang Automobile and Shenyang Industry Partnership are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 shares in long position were held by each of Liaoning Financial, Huachen, Shenyang Automobile and Shenyang Industry Partnership in the capacity as corporate interest.
- (5) According to the disclosure of interest notices filed by Shenyang Shengjing and Shenyang Metro on 14th June, 2024, Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership, which is in turn owned as to 0.23% by Shenyang Cairui Investment and indirectly owned as to 48.86% by Shenyang Metro. Shenyang Cairui Investment is indirectly owned as to 50% by Shenyang Shengjing. Each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 shares in long position were held by each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment in the capacity as corporate interest.
- (6) According to the disclosure of interest notice filed by LPTI on 9th July, 2020, LTI held direct interest in 600,000,000 shares and is owned as to 83.68% by LPTI. Therefore, LPTI is deemed to be interested in the interest of LTI in the Company by virtue of the SFO. The 600,000,000 shares in long position were held by LPTI in the capacity as corporate interest, and by LTI in the capacity as beneficial owner.

Save as disclosed herein, as at 30th June, 2025, there was no other person so far as is known to the directors or chief executives of the Company, other than a director or chief executive of the Company, as having an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30th June, 2025, none of the directors, chief executives of the Company or their respective close associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) to be notified to the Company and the SEHK.

SHARE OPTIONS

To provide appropriate incentives or rewards to eligible persons for their contributions or potential contributions to the Group or any entity in which the Group holds any equity interest (the “**Invested Entity**”), the Board considers that it is in the interests of the Company to adopt a share option scheme.

At the annual general meeting held on 4th June, 2019, shareholders of the Company adopted a share option scheme (the “**Share Option Scheme**”). Eligible persons under the Share Option Scheme include (i) any director of the Company, its subsidiaries, any Invested Entity or the holding company of the Company; (ii) any employee or proposed employee of the Company, its subsidiaries, any Invested Entity or the holding company of the Company; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of the Group or any Invested Entity; (v) any person or entity acting in their capacities as advisers or consultants that provides research, development or other technological support to the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and (vii) any company wholly owned by one or more persons belonging to any of the above classes of participants or any discretionary object of a participant which is a discretionary trust.

The Share Option Scheme came into effect on 5th June, 2019 (the “**Scheme Effective Date**”) and will remain in force for a period of 10 years till 4th June, 2029 (inclusive).

The period during which an option may be exercised will be determined by the directors of the Company at their absolute discretion, save that no option shall be exercised later than 10 years from the date of grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of a share option.

The maximum number of shares which may be issued pursuant to the Share Option Scheme and any other option schemes (if any) is 504,526,938 shares, representing approximately 10% of the total number of issued shares as at the date of this report. The total number of shares issued and which may fall to be issued upon exercise of the share options granted under the Share Option Scheme and any other share option scheme of the Company (including both exercised or outstanding share options) to each participant in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company for the time being (the "**Individual Limit**"). Any further grant of share options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant, shall be subject to the issue of a circular to the shareholders and the shareholders' approval in general meeting of the Company with such participant and his or her close associates (or his or her associates if the participant is a connected person) abstaining from voting.

The subscription price per share under the Share Option Scheme shall be determined by the directors of the Company, but shall not be lower than the higher of (i) the closing price of shares as stated in the SEHK's daily quotation sheet on the date of grant, which must be a business day; (ii) the average closing price of shares as stated in the SEHK's daily quotation sheets for the five (5) business days immediately preceding the date of grant; and (iii) the nominal value of a share.

As at 30th June, 2025, there was no outstanding share option under the Share Option Scheme.

For the period commencing from the Scheme Effective Date to 30th June, 2025:

- (a) no share options under the Share Option Scheme have been granted, exercised, lapsed or cancelled;
- (b) no share options under the Share Option Scheme have been granted to any associates of the directors, chief executive or substantial shareholders of the Company;
- (c) there is no participant with options granted in excess of the Individual Limit; and
- (d) no share options under the Share Option Scheme have been granted to any supplier of goods or services to any member of the Group or any Invested Entity.

As no share options have been granted by the Company under the Share Option Scheme from the Scheme Effective Date up to 30th June, 2025, no expenses were recognised by the Group for the period under review (*Six months ended 30th June, 2024: nil*).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance consistent with the needs and requirements of the business and its shareholders, ensuring that its affairs are conducted in accordance with applicable laws and regulations and consistent with the “Corporate Governance Code” set out in Appendix C1 to the Listing Rules (the “CG Code”). The Group has considered the principles of good corporate governance set out in the CG Code, and has put in place corporate governance practices to meet the code provisions. Throughout the six months ended 30th June, 2025, the Group has complied with all code provisions set out in Part 2 of Appendix C1 to the Listing Rules except the following:

- Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the first half of 2025, Mr. Zhang Yue acted as both the chairman of the Board and the Company’s chief executive officer. The Board believes that Mr. Zhang Yue is familiar with the Company’s business operation, his performing the roles of both chairman of the Board and chief executive officer has the benefit of consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Company. In addition, the Board currently comprises three executive directors and four independent non-executive directors which reflects a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the unaudited consolidated interim financial statements of the Group for the six months ended 30th June, 2025.

At present, the audit committee comprises Mr. Jiang Bo, Mr. Song Jian and Mr. Dong Yang, all of whom are independent non-executive directors of the Company. Mr. Jiang Bo is the chairman of the audit committee.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to appointment of sufficient number of independent non-executive directors and at least an independent non-executive director with appropriate professional qualifications, or accounting or related financial management expertise. At present, the Board comprises four independent non-executive directors, representing more than half of the Board and one of whom has accounting expertise.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all directors, each director of the Company has confirmed that he/she has complied with the required standard set out in the Model Code during the six months ended 30th June, 2025.

IMPORTANT EVENTS AFFECTING THE GROUP THAT HAVE OCCURRED SINCE 30TH JUNE, 2025

Save as disclosed below, to the knowledge of the directors of the Company, there is no other important event affecting the Group since 30th June, 2025 and up to the date of this report:

Capital contribution

Reference is made to the announcement issued by the Company on 20th March, 2025 in relation to further capital contribution to JSA. On 20th March, 2025, the Board has approved to make a capital contribution to JSA in the amount of RMB500 million in cash. The change in industrial and commercial registration was completed on 7th July, 2025 and the Group's interest in JSA has increased from 80.72% to 87.3364%.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises three executive directors, Mr. Zhang Yue (Chairman and Chief Executive Officer), Mr. Zhang Wei and Mr. Guo Hongbo; and four independent non-executive directors, Mr. Song Jian, Mr. Jiang Bo, Mr. Dong Yang and Dr. Lam Kit Lan, Cynthia.

By Order of the Board
Brilliance China Automotive Holdings Limited
Zhang Yue
Chairman and Chief Executive Officer

Hong Kong, 22nd August, 2025