慶鈴汽車股份有限公司

QINGLING MOTORS CO. LTD

(a Sino-foreign joint venture joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 1122)

ANNOUNCEMENT OF INTERIM RESULTS 2026

The board of directors (the "**Board**") of Qingling Motors Co. Ltd (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (together the "**Group**") for the six months ended 30 June 2026, together with comparative figures for the corresponding period in 2025, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	NOTES	**2026** *RMB'000* **(unaudited)**	2025 *RMB'000* (unaudited)
Revenue	*3*	**1,745,701**	2,072,472
Cost of Sales		**(1,624,214)**	(1,933,730)
Gross profit		**121,487**	138,742
Other income		**85,732**	132,110
Other expenses		**(819)**	(1,815)
Net impairment losses on financial assets		**(6,115)**	(513)
Other gains and losses, net		**1,643**	(2,366)
Distribution and selling expenses		**(96,663)**	(110,025)
Administrative expenses		**(97,582)**	(90,841)
Research expenses		**(97,064)**	(93,448)
Finance costs		**(3,563)**	(2,111)
Share of results of associate		**12**	159
Share of results of joint ventures		**3,228**	3,984
Loss before tax	*4*	**(89,704)**	(26,124)
Income tax credit (expense)	*5*	**1,640**	(5,225)

	NOTES	**2026**	2025
		RMB'000	*RMB'000*
		(unaudited)	(unaudited)
Loss and total comprehensive expense for the period		**(88,064)**	(31,349)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		**(90,888)**	(35,530)
Non-controlling interests		**2,824**	4,181
		(88,064)	(31,349)
		RMB cents	RMB cents
Basic loss per share	*7*	**(3.66)**	(1.43)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

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

Application of amendments to HKFRS Accounting Standards

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

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

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

3. REVENUE/SEGMENT INFORMATION

i. Disaggregation of revenue from contracts with customers

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

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

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

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

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

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

ii. Segment information

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

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

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

Segment revenue and results

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

Six months ended 30 June 2026

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

Six months ended 30 June 2025

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

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

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

Segment assets and liabilities

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

As at 30 June 2026

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

As at 31 December 2025

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

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

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

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

4. LOSS BEFORE TAX

	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss before tax has been arrived at after charging (crediting):		
Salaries and other payments and benefits	**143,605**	146,379
Retirement benefits scheme contributions	**22,414**	24,008
Total staff costs (including directors' and supervisors' remuneration)	**166,019**	170,387
Staff costs capitalised in inventories	**(68,740)**	(72,101)
	97,279	98,286
Loss on disposal of property, plant and equipment, net	**30**	641
Amortisation of intangible assets	**16,378**	21,135
Depreciation of property, plant and equipment	**44,992**	39,218
Depreciation of right-of-use assets	**12,718**	11,073
Total depreciation	**57,710**	50,291
Capitalised in inventories	**(29,031)**	(31,785)
	28,679	18,506
Finance costs of lease liabilities	**868**	1,019
Finance costs of acceptance of bills	**2,695**	1,093
Depreciation of investment properties	**140**	141
Expenses relating to short-term leases	**–**	3,515
Net foreign exchange loss	**(1,454)**	1,995
Cost of inventories recognised as an expense	**1,624,214**	1,933,730
Subsequent sales of written-down inventories	**–**	(19,616)
Interest income from time deposits and bank balances	**(38,195)**	(59,653)
Rental income from renting of investment properties	**(2,105)**	(2,254)
Less: Direct operating expenses from investment properties that generated rental income during the period	**140**	410
	(1,965)	(1,844)
Rental income from renting of equipment	**(27,379)**	(22,594)
Miscellaneous service income	**(1,012)**	(2,663)
Miscellaneous service expenses	**783**	1,594
Government grants, including release from deferred income *(Note (a))*	**(7,431)**	(23,268)

Note:

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

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

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

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

5. INCOME TAX CREDIT (EXPENSE)

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

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

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

6. DIVIDENDS

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

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

7. LOSS PER SHARE

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

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

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

9. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

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

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

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

Note:

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

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

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

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

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

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

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

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

10. TIME DEPOSITS

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

11. TRADE, BILLS AND OTHER PAYABLES

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

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

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

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

2026 FIRST HALF-YEARLY RESULTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

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

OUTLOOK AND PROSPECTS

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

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

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

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

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

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

FINANCIAL REVIEW

Financial Performance

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

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

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

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

Financial Position

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

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

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

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

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

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

Liquidity and Capital Structure

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

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

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

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

Significant Investment

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

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

Segment Information

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

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

Pledge of Assets

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

Effects of Foreign Exchange Rate Changes

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

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

Commitments

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

INTERIM DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICY

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

STRUCTURE OF SHAREHOLDING

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

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

(2) Substantial shareholders

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

Long positions in the shares of the Company:

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

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

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

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

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

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

CORPORATE GOVERNANCE

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

MAJOR EVENTS AFTER THE REPORTING PERIOD

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

INDEPENDENT REVIEW

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

PUBLICATION OF FINANCIAL INFORMATION

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

DIRECTORS

As at the date of this announcement, the Board comprises 11 Directors, of which Mr. LIU Zhongwei, Mr. KANI Takuji, Mr. KIJIMA Katsuya, Mr. NAGATA Tomoya, Mr. XU Dengke and Ms. SONG Xiumin are executive Directors, Ms. YAN Huarong is an employee Director, and Mr. YANG Xinglong, Ms. HOU Qian, Mr. LIU Tianni and Ms. CHEN Yen Yung are independent non-executive Directors.

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

Chongqing, the PRC, 28 August 2026