INTERIM REPORT 2026

CELEBRATING 120 YEARS

NEXTEER AUTOMOTIVE GROUP LIMITED
耐世特汽車系統集團有限公司
STOCK CODE: 1316
Incorporated under the laws of the Cayman Islands with limited liability

OUR STRATEGY

FOR PROFITABLE GROWTH

Expand & Diversify
Revenue Base

Strengthen
Technology Leadership

Capitalise on Megatrend
& Portfolio Alignment

Optimise
Cost Structure

Pursue Select
Acquisitions & Alliances

Target China &
Emerging Markets

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Corporate Profile

ABOUT NEXTEER

Nexteer Automotive Group Limited (the **Company**) together with its subsidiaries are collectively referred to as **we, us, our, its, Nexteer, Nexteer Automotive or the Group**. Nexteer Automotive's vision is to be the global leading motion control technology company accelerating mobility to be safe, green and exciting.

"We are the Leading
MOTION CONTROL TECHNOLOGY COMPANY
Accelerating Mobility to be
SAFE, GREEN & EXCITING."

OUR VISION

Nexteer's portfolio spans chassis control technologies that include electric and hydraulic power steering systems (**EPS/HPS**), steer-by-wire (**SbW**), electro-mechanical braking (**EMB**), rear-wheel steering (**RWS**), steering columns and intermediate shafts (**CIS**), driveline systems (**DL**) and software (**SW**).

Our motion control solutions align with the key industry shifts reshaping mobility, particularly the rise of software-defined vehicle platforms that enable advanced driver assistance (**ADAS**), automated driving (**AD**), and connected vehicle ecosystems.

With in-house development and full-system integration across hardware, software and electronics, Nexteer delivers a competitive advantage as an agile, full-service supplier to automotive original equipment manufacturers (**OEMs**) worldwide.

Our ability to integrate our systems and technologies seamlessly into OEM vehicles is grounded in more than 120 years of advanced vehicle-systems engineering expertise and product craftsmanship. This heritage, combined with our "One Nexteer" culture, inspires employees to grow personally and professionally by living our core values: people first, operational excellence and enterprise growth. As One Nexteer, our vision drives us to push boundaries, challenge the impossible and build a better tomorrow.

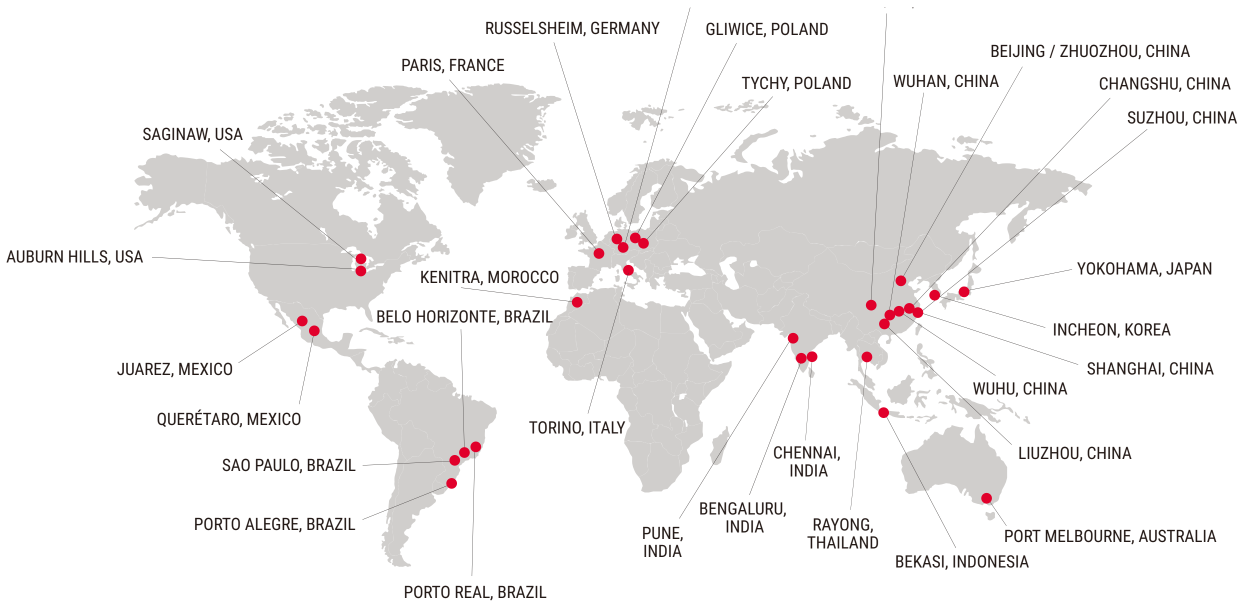
We strive to be the partner of choice for our customers and suppliers by delivering expertly engineered, safety-critical products and building enduring relationships.

Nexteer provides real-world, vehicle-level solutions by being:

- **Customer-Focused:** Respected and trusted for delivering on commitments
- **Proactive:** We listen carefully to understand customer needs, requirements and aspirations
- **Innovative:** A market leader in advanced motion control, including steering, braking, driveline, software and systems integration
- **Agile:** Able to respond quickly with high-quality, cost-effective solutions
- **Global:** Committed to exceeding customer and vehicle needs every time, in every customer-targeted market we serve

GLOBAL FOOTPRINT, PRODUCTS & CUSTOMERS

- **World Headquarters:** Auburn Hills, Michigan, United States of America (**USA or US**)
- **Manufacturing Plants:** 27, including 1 non-consolidated joint venture (**JV**)
- **Technical Centres:** 5
- **Customer Service Centres:** 13
- **Products:** Electric Power Steering (**EPS**), Steer-by-Wire (**SbW**), Rear-Wheel Steering (**RWS**), Electro-Mechanical Braking (**EMB**), Steering Columns and Intermediate Shafts (**CIS**), Driveline Systems (**DL**), Hydraulic Power Steering (**HPS**) and Software Solutions (**SW**)
- **Customers:** Global and domestic OEMs, including BMW Group (**BMW**), BYD Auto Co., Ltd. (**BYD**), Changan Automobile Co., Ltd. (**Changan**), Chery Automobile Co. Ltd. (**Chery**), Ford Motor Company (**Ford**), Guangzhou Automobile Group Co., Ltd. (**GAC**), General Motors Company and Subsidiaries (**GM**), Zhejiang Geely Holding Group Co., Ltd. (**Geely**), Great Wall Motor Company Limited (**GWM**), Zhejiang Leapmotor Technology Co., Ltd. (**Leapmotor**), Lixiang Auto, Inc. (**Li Auto**), Mahindra & Mahindra Limited (**Mahindra**), Maruti Suzuki India Limited (**Maruti-Suzuki**), Renault-Nissan-Mitsubishi Alliance (**RNM**), SAIC General Motors Co., Ltd. (**SAIC**), SAIC-GM-Wuling Automobile Co., Ltd. (**SGMW**), Stellantis N.V. (**Stellantis**), Tata Motors Limited (**Tata**), Volkswagen Group (**VW**), Guangzhou Xiaopeng Motors Technology Co. Ltd. (**XPeng**) and others.



Corporate Information

BOARD OF DIRECTORS

Executive Directors
DING, Fengtao *(Chairman and Chief Executive Officer)*
MILAVEC, Robin Zane

Non-Executive Directors
LEI, Zili
ZHANG, Wendong
QIAO, Kun

Independent Non-Executive Directors
LIU, Jianjun
WANG, Bin
YUE, Yun

COMPANY SECRETARY

WU, Guanhua

AUTHORISED REPRESENTATIVES

DING, Fengtao
WU, Guanhua

LEGAL ADVISERS

As to Hong Kong Law
Chen & Lee Law Office

As to Cayman Islands Law
Maples and Calder

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants and Registered PIE Auditors

AUDIT AND COMPLIANCE COMMITTEE

WANG, Bin *(Chairman)*
QIAO, Kun
YUE, Yun

REMUNERATION AND NOMINATION COMMITTEE

LIU, Jianjun *(Chairman)*
ZHANG, Wendong
WANG, Bin

HEADQUARTERS

1272 Doris Road
Auburn Hills, Michigan 48326, USA

REGISTERED OFFICE

P.O. Box 309, Ugland House
Grand Cayman, KY1–1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1–1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKERS

Bank of America
Bank of China
Bank Pekao SA
China Construction Bank
China Merchant Bank
Fifth Third Bank
HSBC
JPMorgan Chase & Co.
PKO Bank Polski SA
Shanghai Pudong Development Bank
Wells Fargo Capital Finance

STOCK CODE

Share Listing
Ordinary Shares
The Stock Exchange of Hong Kong Limited
(the **Hong Kong Stock Exchange**)
(Stock code: 1316)

COMPANY WEBSITE

http://www.nexteer.com/

Business Overview

STRATEGY FOR PROFITABLE GROWTH

We continue to execute a disciplined strategy designed to strengthen our competitive position and deliver sustainable, profitable growth through six focus areas:

- **Expand and Diversify Revenue Base** to reduce concentration risk and capture new market opportunities
- **Strengthen Technology Leadership** through ongoing innovation in motion control, software, and systems-level integration
- **Capitalise on Megatrend and Portfolio Alignment** to ensure Nexteer solutions meet evolving OEM and mobility demands
- **Optimise Cost Structure** to enhance operational efficiency and support margin improvement
- **Pursue Select Acquisitions and Alliances** that accelerate capability expansion and broaden market reach
- **Target Growth in China and Other Emerging Markets** by aligning regional investments and customer strategies with evolving demand, competitive dynamics and long-term mobility trends

Together, these priorities form a clear and actionable plan to drive long-term stakeholder value.

FIRST HALF 2026 BUSINESS HIGHLIGHTS

We continue advancing our long-term profitable growth strategy through disciplined operational execution, strategic footprint expansion, and ongoing investment in manufacturing and technical capabilities across global regions.

Financial Performance

- **Half-year revenue reached US$2.3 billion, a 4% increase compared to first half of 2025, continuing Nexteer's above-market growth trajectory**

- **All key earnings metrics improved in the first half of 2026 including Net Profit Attributable to Equity Holders which increased by 35% compared to first half of 2025**

    - Adjusted EBITDA reached US$262.8 million, compared to US$230.4 million in the first half 2025, reflecting ongoing operational efficiencies and disciplined cost management

    - Operating profit reached US$115.9 million, up from US$93.1 million in the first half of 2025

    - Net profit attributable to equity holders rose to US$85.6 million, compared to US$63.5 million in the first half of 2025

- **Free cash flow was strong with an inflow of US$108.8 million, up from US$36.7 million in the first half of 2025**

Customer Program Bookings & Market Momentum

- **Secured US$3.3 billion in customer program bookings in the first half of 2026**

    - New and conquest business represented 43% of global OEM bookings, highlighted by Nexteer's first Rack-Assist Electric Power Steering (**REPS**) win in Europe, Middle East, Africa and South America (**EMEASA**), which also expands business in China, along with important Column-Assist Electric Power Steering (**CEPS**) and SbW wins with Chinese OEMs (**COEMs**) that further advance product expansion in the region

    - Continued growth momentum with COEMs generating 30% (~US$1.0 billion) of total first half 2026 bookings

    - Significant North America truck and Sport Utility Vehicle (**SUV**) program extensions for REPS

Program Launches

- **Successfully launched 28 new customer programs, marking another period of solid launch momentum**

    - 26 represented new/conquest business and 17 represented 100% Electric Vehicle (**EV**) launches supported by our products

    - First program launch at Thailand plant

- **Started series production of 2 new technologies:**
    - o SbW with the launch of 2 programs and further launches imminent this year:
        - 1 in China, marking the world's first ASIL D-certified full SbW system launch, with both Handwheel Actuator (**HWA**) and Road Wheel Actuator (**RWA**) included
        - 1 in North America featuring Nexteer's first PEPS dual actuator gear designed for robotaxi application
    - o High-output Column EPS (**HO CEPS**) with the launch of 1 program in China

Technology & Innovation Highlights

- With EMB reaching market-readiness, established a robust, full-stack motion control portfolio spanning steering and braking functions.
- Nexteer's High Mount Direct Drive Steer-by-Wire Handwheel Actuator (**HMDD**) was named a 2026 Automotive News PACE Pilot Award Finalist, recognising its potential to shape the future of mobility. This recognition highlights Nexteer's commitment to advancing Steer-by-Wire technologies that enable greater vehicle design freedom and next-generation driver experiences—while enhancing steering feel, modern airbag integration, flexible steering placement, packaging flexibility and new driver-display possibilities.
- Advanced AI as part of our digital transformation strategy through workforce upskilling, governance, process optimisation and enterprise data capabilities to move beyond individual productivity gains toward enterprise-wide efficiency, speed and scalability. By pairing human judgment with AI, we are building organisational agility to accelerate execution, solve increasingly complex challenges and support long-term productivity gains.

Global Operational Strength

- Celebrated 120 years of innovation, evolving from mechanical steering to modern integrated motion-control solutions. Building on this legacy, we launched our Accelerate with Purpose campaign in January 2026 to sharpen organisational focus, improve speed of execution and align resources around the priorities that support long-term profitable growth.
- Sponsored Automotive Chassis-by-Wire Standards Research Group meeting in January, advancing SbW standards in China.
- Continued investment in manufacturing and technical capacity, including:
    - o Advanced digital manufacturing and automation across Nexteer's global operations to improve productivity, quality and operational efficiency.
    - o Expanded local development and validation capabilities through the Changshu test track expansion in China, enhancing Nexteer's ability to conduct higher-speed vehicle testing and advanced dynamic evaluations across EPS, SbW and EMB systems while supporting faster response to regional customer needs.
    - o Further strengthened our position in the high-growth Asia-Pacific market with the grand opening of our new manufacturing facility in Rayong, Thailand, in March 2026, followed by the start of mass production for the plant's first program, CEPS, in May 2026.

DRIVING PROFITABLE GROWTH IN DYNAMIC MARKETS

Industry Dynamics and Market Conditions

In the first half of 2026, the global automotive industry continued to navigate geopolitical uncertainty, evolving trade policies and region-specific approaches to electrification, similar to the dynamics experienced in the first half of 2025. Mature markets such as North America and Europe saw uneven production trends, while growth regions including China, Southeast Asia and South America continued to expand.

Amid these global dynamics, Nexteer remained proactive in anticipating key market shifts, strengthening operational resiliency and aligning our technology roadmap with customer needs. Our disciplined execution, robust product portfolio and strong COEM momentum enabled us to sustain above-market growth.

Accelerate with Purpose

In January, we introduced our 2026 focus, Accelerate with Purpose, Nexteer's commitment to move faster with clarity, ownership and shared direction. This focus reflects the Company's proactive response to the accelerating pace of change across the industry. Competition is intensifying, technology cycles are compressing and customer expectations continue to rise. What worked in the past will not carry us forward, and staying ahead requires adapting both what we do and how we do it.

Accelerate with Purpose is a shift in mindset and behavior that enables decisive action, deeper collaboration and disciplined execution. It guides us to evolve continuously so that we are ready for what comes next.

Auto China 2026 Showcase

Auto China 2026 provided a global stage to unveil Nexteer's full Motion-by-Wire capabilities:

- **Market-ready Electro-Mechanical Braking System** as part of Nexteer's integrated Motion-by-Wire portfolio
- **Advanced Steer-by-Wire and Rear-Wheel Steering** demonstrating precision, control and modular scalability
- **Software-defined chassis solutions** powered through MotionIQ
- **Expanded High-Output Column EPS and modular EPS** architecture solutions tailored for global EV platforms

Nexteer announced that its EMB system is now ready for market after completing product design, production line development and supply chain integration. Since its public debut in 2025, EMB has advanced through rigorous simulations, bench tests and extreme climate validation. The Company conducted extensive technical discussions with key local OEMs, and more than 20 customers participated in test drives that resulted in strong positive feedback. Several projects have now progressed into technical co-development.

Entering 2026, China's automotive industry began shifting from simple feature stacking to solving real-world driving scenarios. OEMs increasingly sought integrated solutions that address user pain points and elevate the driving experience. Building on our deep expertise in both steering and braking, Nexteer developed integrated motion-control functions for high-frequency driving scenarios such as city commuting and tight-space parking, positioning the Company as a leader of future-forward solutions.

Nexteer's full-stack motion control solution leverages proven competencies across system-level design, engineering and software. The solution features full-stack chassis control software with open interfaces, enabling cross-domain functional-safety redundancy and providing a reliable actuation layer for L3 and higher levels of automated driving. Built on mature steering technology modules and designed with accessible interfaces, it allows OEMs to rapidly integrate the solution into their own software-defined vehicle architectures.

Hardware reuse further enhances cost efficiency. Actuator modules and motion-controller electronics are platformised for reuse, significantly shortening development duration and reducing system costs. Manufacturing synergy across Nexteer's global footprint enables reuse of assembly equipment and parallel development of similar process challenges. Mature supply chain integration, supported by high supplier overlap and centralised procurement, ensures stable and reliable mass production.

The integration of SbW and EMB is a natural evolution rooted in mechatronics fundamentals, enabling both safety and cost effectiveness for high-level autonomous driving. Choosing Nexteer provides OEMs with a complete, proven, production-ready and cost-effective chassis-motion-control solution.

Through interactive demonstrations and private OEM sessions, Nexteer reinforced its role as a trusted partner helping automakers bring advanced, high-quality technologies to market quickly and efficiently.

FIRST HALF 2026 BOOKINGS: STRONG MOMENTUM & CUSTOMER CONFIDENCE

We calculate our revenue bookings (**Bookings**) as the total value of lifetime revenue related to future programmes awarded during the period. A significant factor and input into the calculation of Nexteer's Bookings is forward year OEM production forecasts for awarded customer programmes. In determining forward year OEM production expectations, Nexteer considers reputable third-party automotive production forecasts, customer expectations and internal industry knowledge given past and current trends.

Customer confidence in Nexteer's technology, quality, and delivery remains very strong. In the first half of 2026, the Company secured **US$3.3 billion** in customer program bookings, an achievement that underscores competitiveness globally.

- **43%** of bookings represented new or conquest business
- **30%** came from COEMs, reinforcing the Company's leadership position in China's fast-growing EV and new energy vehicle (**NEV**) market
- Secured the Company's first REPS program in EMEASA
- Continued expansion of SbW adoption in China
- Won significant North America truck and SUV program extensions

These wins reflect Nexteer's ability to deliver differentiated technology, scalable global manufacturing capability and consistent operational performance.

Bookings is not a measure defined by IFRS Accounting Standards as issued by the International Accounting Standards Board, and our methodology for determining Bookings may not be comparable to the methodology used by other companies in determining the value of their bookings. Assumptions relative to estimated lifetime programme volumes and contract performance remain unchanged from our disclosures in prior periods. Any modification, suspension or cancellation of the contracts related to prior year Bookings by the Group's customers may have a substantial and immediate effect on our ability to actually generate and realise future revenue from these Bookings. While we believe that our current Bookings is a relevant financial metric, we must emphasise that the information set out in this section shall not constitute any forecast or prediction of the revenue and profits of the Group and the actual future value may differ from the estimated Bookings due to various factors beyond the Group's control.

Launch Momentum and Technologies

Nexteer continued its strong launch cadence with 28 new customer programs, including COEMs and global OEMs, with 26 representing new or conquest business. Importantly, 17 launches were 100% EV programs, demonstrating our alignment with electrification and software-defined vehicle platforms.

We also began series production of two new technologies:

- **Steer-by-Wire (SbW)** with two program launches, one in China and one in Mexico
- **High-Output Column EPS (HO CEPS)** with a program launch in China

These launches mark meaningful steps in our transition toward full motion-control solutions.

Technology Leadership: Full Motion-by-Wire™ Portfolio Aligned with Key Industry Shifts

With our EMB solution reaching market readiness as announced at Auto China 2026 in April, Nexteer now offers a full Motion-by-Wire™ portfolio spanning steering and braking functions, positioning Nexteer at the forefront of integrated motion control.

This year marks the first mass production of Steer-by-Wire, a product that received ASIL D functional safety approval from DAkkS in late 2025, the world's first SbW certification at this level. This achievement reinforces Nexteer's leadership in safety-critical, by-wire technologies.

Operational Strength through a Global Footprint

Nexteer continued investing in manufacturing and technical capacity in regions across the globe:

- **Rayong, Thailand:** We strengthened our position in the high-growth Asia-Pacific market with the grand opening of our new manufacturing facility in March. The plant began mass production of its first CEPS program in May.
- **Changshu, China:** We expanded local development and validation capabilities through the Changshu test track expansion in China, enhancing Nexteer's ability to conduct higher-speed vehicle testing and advanced dynamic evaluations across EPS, SbW and EMB systems while supporting faster response to regional customer needs.

Across regions, we maintained focus on global supply-chain optimisation, improved inventory management, and disciplined operational execution, which are all essential to margin improvement and long-term resilience.

Advancing AI, Digital Manufacturing and Automation

Nexteer is advancing AI as part of its comprehensive digital transformation strategy focused on improving efficiency, speed, scalability and organisational agility across the Company. Through workforce upskilling, governance, process optimisation and enterprise data capabilities, the Company is moving beyond individual productivity gains toward more integrated, enterprise-wide performance improvements.

Within manufacturing in particular, this transformation is shaping a more intelligent, connected, and efficient global production network. Through advanced automation, digital manufacturing technologies, manufacturing intelligence, AI-enabled analytics, and emerging AI-driven capabilities, Nexteer is enhancing its productivity, operational visibility, product quality, and long-term competitiveness.

A major focus is deploying next-generation manufacturing standards that provide a scalable framework for future automation across Nexteer's global manufacturing network. These future-state bills of process (BOPs) are supported by next-generation production concepts designed to improve productivity, optimise the manufacturing footprint and enhance capacity and operational flexibility through standardised automation architectures.

The BOPs also boost manufacturing performance by increasing equipment utilisation, reducing downtime, optimising production flow and enhancing data-driven decision making. Nexteer is targeting an improvement in global Overall Equipment Effectiveness (**OEE**), supporting increased throughput and operational efficiency. Enhanced process monitoring and analytics are also expected to improve product quality, reduce scrap and rework, lower the Cost of Poor Quality (**COPQ**), and reduce customer quality concerns through earlier identification and correction of process variation.

Beyond factory performance, Nexteer's digital manufacturing initiatives are strengthening the connection between product design, engineering, manufacturing, quality and operations. By creating a closed-loop feedback system, insights from real-world production performance are being applied to improve product designs, enhance manufacturability, accelerate launches and support continuous improvement throughout the product lifecycle.

In parallel, Nexteer is advancing AI-enabled demand-to-production planning capabilities that connect customer demand signals with manufacturing planning and scheduling processes. These capabilities aim to improve forecast responsiveness, optimise production schedules, enhance inventory management, and increase manufacturing agility across the global enterprise.

Strengthening Supplier Partnerships

In April, Nexteer convened key suppliers in Troy, Michigan to reinforce alignment around its forward-looking business outlook and shared expectations to strengthen supply-chain agility, resilience and sustainability alongside overall OEM growth.

- Uncompromising quality, strong performance, and collaborative partnership were the three core priorities emphasised at the conference to ensure long-term success and profitability.

- Suppliers were urged to adopt a zero-defect mindset, uphold operational excellence in cost and delivery, and remain agile amid industry volatility to ensure reliable, competitive performance.

- We Win Together was the theme underscoring that competitiveness and customer value depend on joint problem-solving, continuous innovation, and strong relationships across the supply chain.

The event execution itself showcased effective cross-functional coordination across Nexteer core teams: Global Supply Management (**GSM**), Manufacturing, Human Resources, Marketing & Communications, and Engineering, resulting in a seamless and impactful experience.

Overall, GSM delivered a clear and impactful message: suppliers are essential partners in Nexteer's success, and together we deliver future forward solutions that exceed customer expectations.

DEMONSTRATED LEADERSHIP VIA TECHNOLOGY DEMONSTRATIONS & SPEAKING ENGAGEMENTS

In the first half of 2026, Nexteer's thought leaders continued to be sought after as speakers at high-profile, industry events around the world to discuss the challenges, opportunities, and solutions related to mobility megatrends and motion control technology.

Following are examples of events in the first half of 2026 that featured Nexteer's experts:

- Auto China 2026
- European Automotive Steering & Braking Systems Summit 2026 (Germany)
- dSPACE – USA User Conference
- Road 2 Logistics Automotive 2026 (Mexico)
- Manufacturing Leadership Council Conference (US)
- ChassisTech Plus 2026 (Germany)
- Reuter's Responsible Business 2026 (US)
- Michigan Council of Women in Technology Foundation Executive Connection Summit (US)

CUSTOMER & INDUSTRY RECOGNITION

In the first half of 2026, Nexteer was honored for quality, excellence and exceptional customer relationships, as well as multiple workplace recognitions:

- Chery Automobile Excellent Cooperation & Synergy Award, China
- SGMW Global Outstanding Partner, China
- SGMW Ecosystem Co-Creation Award, China
- SGM Dongyue Automobile Quality Pioneer, China
- Avatr 2025 Annual Outstanding Product Development Award, China

- 2025 Changan Automobile Excellent Supplier, China
- Zeekr 2025 Annual Model of Support Award, China
- Jiangling Motors Grade A Supplier, China
- GWM 2025 Outstanding Delivery Assurance Award, China
- GAC 2025 Excellent Supplier Award, China
- Great Place to Work® Best Workplaces for Women™, China
- Geely Strategic Partner Award, China
- 51Job Best Employer Award, China
- GM Supplier Excellence Award 2025, China, India, USA
- World's Best Companies in Sustainable Growth 2026 list by TIME and Statista

ORGANISATIONAL CHANGES

With effect April 16, 2026, Mr. BYERS, David Michael retired as Vice President, Global Sales and Program Management due to his decision to retire.

With effect May 1, 2026, Mr. HARRIS, Steven Robert retired as Vice President, Global Engineering due to his decision to retire.

With effect May 16, 2026, Mr. MILAVEC, Robin Zane, was appointed Global Chief Operating Officer in addition to his current roles as Executive Board Director and President. He ceased to act as Chief Technology Officer at this time.

With effect May 16, 2026, Mr. LI, Jun was appointed Chief Technology Officer in addition to his current roles as Senior Vice President, Chief Strategy Officer and APAC Divisional President.

With effect July 1, 2026, Mr. PASTOR, Ricardo Antonio retired as Vice President, Global Manufacturing and Quality due to his decision to retire.

Financial Highlights

Results (US'$000)	**For the six months ended June 30, 2026 (Unaudited)**	For the six months ended June 30, 2025 (Unaudited)	Change
Revenue	**2,328,838**	2,242,248	3.9%
Gross profit	**278,303**	258,907	7.5%
Profit before income tax	**115,167**	95,681	20.4%
Income tax expense	**24,845**	26,667	(6.8%)
Profit attributable to equity holders of the Company	**85,806**	63,480	35.2%
Profit for the period	**90,322**	69,014	30.9%
Adjusted EBITDA	**262,819**	230,353	14.1%

Assets and Liabilities (US'$000)	**As at June 30, 2026 (Unaudited)**	As at December 31, 2025 (Audited)	Change
Non-current assets	**1,834,773**	1,819,671	0.8%
Current assets	**2,094,174**	1,950,827	7.3%
Non-current liabilities	**382,987**	364,109	5.2%
Current liabilities	**1,339,522**	1,247,261	7.4%
Capital and reserves attributable to the Company's equity holders	**2,152,947**	2,111,601	2.0%

These financial highlights should be read in conjunction with the Group's unaudited Condensed Consolidated Interim Financial Information for the six months ended June 30, 2026 (the **Condensed Financial Information**).

Management Discussion and Analysis

The following management discussion and analysis should be read in conjunction with the unaudited Condensed Financial Information, included herein, which have been prepared in accordance with International Accounting Standards IAS 34 "Interim Financial Reporting".

FINANCIAL REVIEW

Financial Summary

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

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

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

Operating Environment

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

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

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

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

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

Revenue

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

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

Revenue by Geographical Segments

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

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

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

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

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

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

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

Revenue by Products

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

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

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

Net Profit Attributable to Equity Holders

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

Cost of Sales

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

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

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

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

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

Gross Profit

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

Engineering and Product Development Costs

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

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

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

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

Selling, Distribution and General and Administrative Expenses

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

Other Gains, net

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

Investment Income, net/Finance Costs

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

Share of Results of a Joint Venture

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

Income Tax Expense

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

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

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

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

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

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

Provisions

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

Liquidity and Capital Resources

Cash Flows

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

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

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

Cash Flows Generated from Operating Activities

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

Cash Flows Used in Investing Activities

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

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

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

Cash Flows Used in Financing Activities

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

Indebtedness

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

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

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

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

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

Pledge of Assets

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

Exposure to Currency Rate Fluctuations and Related Hedges

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

Gearing Ratio

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

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

OTHER INFORMATION

Future Prospects

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

1. Relentless innovation

2. Depth and breadth of our product portfolio

3. Systems integration experience

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

5. Global manufacturing footprint and prowess

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

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

Please refer to the Business Overview section earlier in this report for more details on our alignment to these megatrends.

Employees Remuneration Policy

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

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

FORWARD-LOOKING STATEMENTS

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

Corporate Governance/Other Information

CORPORATE GOVERNANCE PRACTICES

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

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

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

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

Chairman and Chief Executive Officer

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

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

COMPLIANCE WITH CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

CHANGE IN DIRECTORS' BIOGRAPHICAL DETAILS UNDER RULE 13.51B(1) OF THE LISTING RULES

Dr. WANG, Bin, retired from Beijing Technology and Business University in February 2026.

Except as disclosed above, there is no other change in the Directors' biographical details required to be disclosed in this interim report pursuant to Rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

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

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

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES BY THE COMPANY

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

SHARE OPTION SCHEME

On June 5, 2014, the Company adopted a share option scheme (the **Share Option Scheme**), which had remained in force for a period of 10 years until its expiration on June 5, 2024. The period within which the options may be exercised must expire no later than 10 years from the relevant date of grant; therefore, the options granted on June 11, 2014, June 10, 2015 and June 10, 2016 have expired.

There were no options under the Share Option Scheme (**Options**) vested during the six months ended June 30, 2026.

No options were available for grant as at January 1, 2026 and June 30, 2026, as the Share Option Scheme expired on June 5, 2024.

The summary of Options granted under the Share Option Scheme that were outstanding as at June 30, 2026 are as follows:

	Grant date	Options granted	Options held as at January 1, 2026	Options granted during the interim period	Options exercised during the interim period	Options cancelled/ lapsed during the interim period	Options held as at June 30, 2026	Exercise period[1]	Options exercise price per share HK$	Share price on the grant date[2] HK$	Share price on the exercise date HK$	Weighted average closing price of the Company's shares immediately before the exercise date HK$
Director												
LEI, Zili	October 25, 2022	1,667,970	–	–	–	–	–	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
MILAVEC, Robin Zane	May 30, 2018	526,730	175,580	–	–	–	175,580	May 30, 2018 – May 29, 2028	12.456	11.960	N/A	N/A
	August 21, 2019	1,667,970	–	–	–	–	–	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	2,633,650	–	–	–	–	–	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
BOYER, Hervé Paul Gino[3]	June 10, 2016	419,070	279,380	–	–	-279,380	–	June 10, 2016 – June 9, 2026	7.584	7.340	N/A	N/A
	May 29, 2017	419,070	139,690	–	–	-139,690	–	May 29, 2017 – May 28, 2027	11.620	11.620	N/A	N/A
	May 30, 2018	419,070	139,690	–	–	-139,690	–	May 30, 2018 – May 29, 2028	12.456	11.960	N/A	N/A
	August 21, 2019	419,070	–	–	–	–	–	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	1,667,970	–	–	–	–	–	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
ZHANG, Wendong	October 25, 2022	351,150	–	–	–	–	–	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
Sub-total		**10,191,720**	**734,340**	**-**	**-**	**-558,760**	**175,580**					
Other Employee Participants (in aggregate)	June 11, 2014	11,236,860	–	–	–	–	–	June 11, 2014 – June 10, 2024	5.150	5.150	N/A	N/A
	June 10, 2015	10,358,990	–	–	–	–	–	June 10, 2015 – June 9, 2025	8.610	8.480	N/A	N/A
	June 10, 2016	10,183,420	–	–	–	–	–	June 10, 2016 – June 9, 2026	7.584	7.340	N/A	N/A
	May 29, 2017	11,500,240	–	–	–	–	–	May 29, 2017 – May 28, 2027	11.620	11.620	N/A	N/A
	May 30, 2018	12,026,970	351,160	–	–	–	351,160	May 30, 2018 – May 29, 2028	12.456	11.960	N/A	N/A
	August 21, 2019	11,588,030	–	–	–	–	–	August 21, 2019 – August 20, 2029	6.390	6.390	N/A	N/A
	October 25, 2022	6,057,380	–	–	–	–	–	October 25, 2022 – October 24, 2032	4.268	4.140	N/A	N/A
Sub-total		**72,951,890**	**351,160**	**-**	**-**	**-**	**351,160**					
Total		**83,143,610**	**1,085,500**	**-**	**-**	**-558,760**	**526,740**					

Notes:

(1) The Options granted in 2014, 2015, 2016, 2017, 2018, 2019 and 2022 must be held for one year from June 11, 2014, June 10, 2015, June 10, 2016, May 29, 2017, May 30, 2018, August 21, 2019 and October 25, 2022, respectively. The Options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third at each anniversary of the Date of Grant of the share option. The October 25, 2022 grant contains various performance targets in order to vest. These performance targets require the Group to achieve a minimum return on invested capital, three-year compound annual growth rate, and operating margin. Also, the Group's return on invested capital, three-year compound annual growth rate, and operating margin must exceed benchmark companies.

(2) The exercise price for the Options granted on June 11, 2014, May 29, 2017 and August 21, 2019 was the closing price of the shares quoted on the Hong Kong Stock Exchange on the trading day on the Date of Grant of the Options. The exercise price for the Options granted on June 10, 2015, June 10, 2016, May 30, 2018 and October 25, 2022 was the average closing price for five consecutive trading days prior to the Date of Grant of the Options.

(3) Mr. BOYER, Hervé Paul Gino resigned as an Executive Director with effect from January 19, 2026. All options lapsed on January 19, 2026.

During the six months ended June 30, 2026, there were 526,740 shares that may be issued in respect of outstanding options previously granted under the Share Option Scheme, representing approximately 0.02% of the weighted average number of shares in issue. Such outstanding options remain exercisable until no later than 10 years from the relevant grant date.

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

As at June 30, 2026, the interests or short positions of the Directors or Chief Executives of the Company in the shares of the Company (the **Shares**), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the **SFO**)) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken to have or deemed to have under such provisions of the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to Model Code are as follows:

Interest in the Company

Name	Capacity	Nature of Interest	No. of underlying Shares of the Company held (through share options)(1)	Approximate Percentage of Total Issued Shares(2) %
MILAVEC, Robin Zane	Director	Beneficial owner	175,580 (L)	0.01%

Notes:

(L) Denotes a long position in the Shares.

(1) These represent the interests in underlying Shares in respect of the Options granted by the Company.

(2) The calculation is based on the total number of 2,509,824,293 Shares in issue as at June 30, 2026.

Except as disclosed above, as at June 30, 2026, none of our Directors and Chief Executives of the Company have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO; or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Except as disclosed above, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any of its subsidiaries were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the six months ended June 30, 2026.

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

As at June 30, 2026, the following Shareholders (excluding the Directors and Chief Executives of the Company) had interests or short positions in any Shares and underlying Shares of the Company which will be required to be disclosed under provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under section 336 of the SFO:

Name	Nature of Interest	No. of Shares	Approximate Percentage of Total Issued Shares[1] %
Nexteer Automotive (Hong Kong) Holdings Limited (**Nexteer Hong Kong**)[2]	Beneficial owner	1,105,000,000 (L)	44.03%
Pacific Century Motors, Inc. (**PCM China**)[2]	Interest of controlled corporation	1,105,000,000 (L)	44.03%
AVIC Automotive Systems Holding Co., Ltd. (**AVIC Auto**)[3]	Interest of controlled corporation	1,105,000,000 (L)	44.03%
Aviation Industry Corporation of China, Ltd. (**AVIC**)[3]	Interest of controlled corporation	1,105,000,000 (L)	44.03%
Beijing E-Town International Investment & Development Co. Ltd.[4]	Interest of controlled corporation	303,183,000 (L)	12.08%
Beijing E-Town International Automotive Investment & Management Co., Ltd.[4]	Beneficial owner	303,183,000 (L)	12.08%

Notes:

(L) Denotes a long position in the Shares.

(1) The calculation is based on the total number of 2,509,824,293 Shares issued as at June 30, 2026.

(2) Nexteer Hong Kong is wholly-owned by PCM China, which is in turn owned as to 72.88% by AVIC Auto and as to 27.12% by Beijing E-Town International Automotive Investment & Management Co. Ltd. (a direct wholly-owned subsidiary of Beijing E-Town International Investment & Development Co. Ltd.). Each of PCM China and AVIC Auto is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.

(3) AVIC Auto is owned as to 70.11% by AVIC. AVIC is deemed to be interested in the 1,105,000,000 Shares held by Nexteer Hong Kong.

(4) On September 23, 2022, Beijing E-Town International Automotive Investment & Management Co., Ltd. (a direct wholly-owned subsidiary of Beijing E-Town International Investment & Development Co., Ltd.) became a direct holder of 525,000,000 shares of the Company, which then reduced its shares to 303,183,000 at June 30, 2026. Beijing E-Town International Investment & Development Co., Ltd. is deemed to be interested in the 303,183,000 Shares held by Beijing E-Town International Automotive Investment & Management Co., Ltd.

Report on Review of Condensed Consolidated Interim Financial Information

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NEXTEER AUTOMOTIVE GROUP LIMITED
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial information of Nexteer Automotive Group Limited (the **Company**) and its subsidiaries (collectively referred to as the **Group**) set out on pages 34 to 72, which comprise the condensed consolidated interim balance sheet as at June 30, 2026 and the related condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and notes to the condensed consolidated interim financial information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" (**IAS 34**) as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
August 12, 2026

Condensed Consolidated Interim Balance Sheet

As at June 30, 2026

	Notes	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	**1,019,497**	1,008,856
Right-of-use assets	8	**38,934**	46,261
Intangible assets	7	**666,298**	656,899
Deferred income tax assets		**58,295**	55,566
Investment in a joint venture	27(b)	**24,266**	27,571
Income taxes receivable		**3,592**	5,002
Other receivables and prepayments	11	**23,891**	19,516
		1,834,773	1,819,671
Current assets			
Inventories		**322,635**	279,929
Trade receivables	9	**920,372**	924,089
Notes receivable	10	**99,811**	86,975
Income taxes receivable		**5,134**	5,474
Other receivables and prepayments	11	**133,939**	133,598
Investment in financial asset	12	**15,674**	20,026
Restricted bank deposits		**103**	15
Cash and cash equivalents		**596,506**	500,721
		2,094,174	1,950,827
Total assets		**3,928,947**	3,770,498

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Balance Sheet

As at June 30, 2026

	Notes	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	13	**32,377**	32,377
Other reserves		**(2,698)**	(4,168)
Retained earnings		**2,123,268**	2,083,392
		2,152,947	2,111,601
Non-controlling interests		**53,491**	47,527
Total equity		**2,206,438**	2,159,128
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	**21,095**	19,874
Borrowings	14	**51,213**	49,729
Retirement benefits and compensations		**23,026**	23,100
Deferred income tax liabilities		**4,592**	3,685
Provisions	15	**91,644**	80,557
Deferred revenue	16	**169,609**	154,883
Other payables and accruals	18	**21,808**	32,281
		382,987	364,109
Current liabilities			
Trade payables	17	**1,010,928**	945,605
Other payables and accruals	18	**237,311**	201,376
Current income tax liabilities		**22,133**	24,603
Retirement benefits and compensations		**2,485**	2,652
Provisions	15	**30,036**	28,147
Deferred revenue	16	**27,973**	27,454
Borrowings	14	**147**	79
Lease liabilities	8	**8,509**	17,345
		1,339,522	1,247,261
Total liabilities		**1,722,509**	1,611,370
Total equity and liabilities		**3,928,947**	3,770,498

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

The condensed consolidated interim financial information on pages 34 to 72 was approved by the Board of Directors on August 12, 2026 and was signed on its behalf by:

DING, Fengtao	**MILAVEC, Robin Zane**
Director	*Director*

Condensed Consolidated Interim Income Statement

For the six months ended June 30, 2026

	Notes	For the six months ended June 30, **2026** **US$'000** **(Unaudited)**	2025 US$'000 (Unaudited)
Revenue	6	**2,328,838**	2,242,248
Cost of sales	20	**(2,050,535)**	(1,983,341)
Gross profit		**278,303**	258,907
Engineering and product development costs	20	**(72,102)**	(75,393)
Selling and distribution expenses	20	**(12,635)**	(10,704)
Administrative expenses	20	**(87,390)**	(81,474)
Other gains, net	19	**9,768**	1,792
Operating profit		**115,944**	93,128
Investment income, net	22	**605**	4,182
Finance costs	22	**(2,378)**	(3,390)
		(1,773)	792
Share of results of a joint venture	27(b)	**996**	1,761
Profit before income tax		**115,167**	95,681
Income tax expense	23	**(24,845)**	(26,667)
Profit for the period		**90,322**	69,014
Profit for the period attributable to:			
Equity holders of the Company		**85,806**	63,480
Non-controlling interests		**4,516**	5,534
		90,322	69,014
Earnings per share for profit for the period attributable to equity holders of the Company for the period (expressed in US$ per share)			
– Basic and diluted	24	**0.034**	0.025

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended June 30, 2026

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

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to equity holders of the Company							
	Share capital US$'000 (note 13)	Merger reserve US$'000	Share-based compensation reserve US$'000	Exchange reserve US$'000	Retained earnings US$'000	Sub-total US$'000	Non-controlling interests US$'000	Total US$'000
For the six months ended June 30, 2025 (Unaudited)								
As at January 1, 2025	32,377	113,000	6,033	(178,018)	2,005,485	1,978,877	51,024	2,029,901
Comprehensive income								
Profit for the period	–	–	–	–	63,480	63,480	5,534	69,014
Other comprehensive income								
Exchange differences	–	–	–	46,254	–	46,254	933	47,187
Total comprehensive income	–	–	–	46,254	63,480	109,734	6,467	116,201
Transactions with owners								
Dividends payable to shareholders (note 25)	–	–	–	–	(21,835)	(21,835)	–	(21,835)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(16,035)	(16,035)
As at June 30, 2025	32,377	113,000	6,033	(131,764)	2,047,130	2,066,776	41,456	2,108,232
For the six months ended June 30, 2026 (Unaudited)								
As at January 1, 2026	**32,377**	**113,000**	**6,033**	**(123,201)**	**2,083,392**	**2,111,601**	**47,527**	**2,159,128**
Comprehensive income								
Profit for the period	**–**	**–**	**–**	**–**	**85,806**	**85,806**	**4,516**	**90,322**
Other comprehensive income	**–**							
Exchange differences	**–**	**–**	**–**	**1,470**	**–**	**1,470**	**1,448**	**2,918**
Total comprehensive income	**–**	**–**	**–**	**1,470**	**85,806**	**87,276**	**5,964**	**93,240**
Transactions with owners								
Dividends payable to shareholders (note 25)	**–**	**–**	**–**	**–**	**(45,930)**	**(45,930)**	**–**	**(45,930)**
As at June 30, 2026	**32,377**	**113,000**	**6,033**	**(121,731)**	**2,123,268**	**2,152,947**	**53,491**	**2,206,438**

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Interim Statement of Cash Flows

For the six months ended June 30, 2026

	For the six months ended June 30, 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Operating activities		
Cash generated from operations	**287,772**	176,490
Income tax paid, net	**(25,613)**	(34,174)
Net cash generated from operating activities	**262,159**	142,316
Investing activities		
Purchase of property, plant and equipment	**(88,113)**	(54,994)
Addition of intangible assets	**(69,433)**	(55,491)
Dividends received from a joint venture	**4,301**	–
Others	**(112)**	4,835
Net cash used in investing activities	**(153,357)**	(105,650)
Financing activities		
Repayments of lease liabilities	**(8,404)**	(7,745)
Finance costs paid	**(3,502)**	(3,985)
Others	**(264)**	–
Net cash used in financing activities	**(12,170)**	(11,730)
Net increase in cash and cash equivalents	**96,632**	24,936
Cash and cash equivalents at beginning of period	**500,721**	422,278
Effect of exchange rate changes on cash and cash equivalents	**(847)**	12,005
Cash and cash equivalents at end of period	**596,506**	459,219

The notes on pages 40 to 72 are an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2026

1 GENERAL INFORMATION

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

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

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

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

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

This Condensed Financial Information has not been audited.

2 BASIS OF PREPARATION

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

3 ACCOUNTING POLICIES

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

Amendments to standards adopted by the Group

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

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

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Condensed Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

5 FINANCIAL INSTRUMENTS

Fair value estimation

The carrying amounts of the Group's current financial assets and liabilities, including cash and cash equivalents, restricted bank deposits, trade receivables, notes receivable, other receivables, trade payables, other payables and accruals and current borrowings approximate their fair values. The fair value of non-current borrowings for disclosure purposes as disclosed in note 14 is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The Group has notes receivable measured at fair value through other comprehensive income (**FVOCI**) and included in Level 2 of the fair value hierarchy as at June 30, 2026 and December 31, 2025. Notes receivable are measured at FVOCI as (i) they are held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The fair value of financial assets at FVOCI is estimated by discounting the future contracted cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group has an investment in financial asset that is measured at fair value through profit or loss (**FVTPL**) and classified within Level 1 of the fair value hierarchy as at June 30, 2026 and December 31, 2025. This financial asset is traded in active markets and consist of financial instruments for which quoted prices for identical assets are readily and regularly available. Accordingly, the fair value of this financial asset is determined using unadjusted quoted market prices at the reporting date. The Group's financial asset is held for trading, and changes in fair value are recognised in profit or loss as they arise.

The Group's other financial assets or liabilities are measured at amortised cost using the effective interest method as at June 30, 2026 and December 31, 2025.

The different levels of the fair value hierarchy are defined as follows:

- The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency; and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in **Level 1**.

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

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

There were no transfers of financial assets or financial liabilities between fair value hierarchy classifications.

6 REVENUE AND SEGMENT INFORMATION

6.1 Revenue from contracts with customers

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

Performance Obligations

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

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

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2026

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.1 Revenue from contracts with customers (Continued)

Contract balances

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

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

Notes:

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

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

6.2 Segment information

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

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

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

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

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

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

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

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

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2026

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

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

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

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

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

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

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

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

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

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

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

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2026

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

Disaggregation of revenue

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

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

6 REVENUE AND SEGMENT INFORMATION (Continued)

6.2 Segment information (Continued)

Revenue by type

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

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

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

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment US$'000	Intangible assets US$'000
Six months ended June 30, 2026 (Unaudited)		
Net book amount as at January 1, 2026	**1,008,856**	**656,899**
Additions	**79,661**	**71,065**
Disposals	**(33)**	**–**
Impairment	**–**	**(1,251)**
Depreciation and amortisation	**(72,051)**	**(63,360)**
Exchange differences	**3,064**	**2,945**
Net book amount as at June 30, 2026	**1,019,497**	**666,298**
Six months ended June 30, 2025 (Unaudited)		
Net book amount as at January 1, 2025	981,141	675,428
Additions	57,780	57,540
Disposals	(640)	–
Impairment	–	(1,579)
Depreciation and amortisation	(70,492)	(60,811)
Exchange differences	27,881	4,037
Net book amount as at June 30, 2025	995,670	674,615

Intangible asset additions include additions for product development. Product development cost additions, including capitalised interest, for the period ended June 30, 2026 were US$71,065,000 (six months ended June 30, 2025: US$57,540,000).

Capitalised product development costs not yet available for use are tested annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related.

The recoverable amount of the cash-generating units is determined based upon value in use from the most recent detailed calculations. The value in use is estimated using the discounted cash flow approach. For significant cash-generating units, the pre-tax discount rates used for the six months ended June 30, 2026 to estimate present value of future cash flows range between 10.5% and 14.0% (six months ended June 30, 2025: between 10.5% and 12.5%), which are based on an estimated weighted average cost of capital depending on geographical location and risk factors and includes estimates of country risk premiums. Estimated cash flows are based on the estimated useful life of the cash-generating unit.

7 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

In determining value in use, it is necessary to make a series of assumptions to estimate future cash flows. There is risk in future profitability forecasts including, but not limited to, assumptions of customer volumes and commodity pricing. The assumptions for customer volumes and commodity pricing are reviewed annually as part of management's budgeting and strategic planning cycles.

The assumptions related to customer volume and timing of sales to customers may vary due to a number of factors, including variation in demand for customers' products, customers' attempts to manage their inventories, design changes, changes in customers' manufacturing strategy, etc. Accordingly, the Group's customers do not commit to long-term production schedules.

The assumptions related to commodity pricing may vary as raw material costs are influenced by several commodities and the volatility of these prices may have an adverse impact on the Group's business. However, to mitigate the risk the Group continues its efforts to pass material, component and supply cost increases to the Group's customers.

During the six months ended June 30, 2026, the Group recorded product development intangible asset impairments of US$1,251,000 related to programme cancellations on specific customer programmes, with US$1,246,000 recorded in the Asia Pacific segment and US$5,000 recorded in the North America segment.

During the six months ended June 30, 2025, the Group recorded product development intangible asset impairments of US$1,579,000 related to programme cancellations on specific customer programmes, with US$800,000 recorded in the North America segment, US$309,000 recorded in the Asia Pacific segment and US$470,000 recorded in the Others segment. In addition, the Group recorded customer recovery income from a previously impaired programme of US$2,643,000 in the Condensed Financial Information as engineering and product development costs in the North America segment.

Certain of the Group's property, plant and equipment have been pledged as collateral under the Group's borrowing arrangements. The carrying amounts of property, plant and equipment pledged as collateral were US$404,298,000 as at June 30, 2026 (December 31, 2025: US$416,569,000).

8 LEASES

The Group's leases are mainly comprised of real-estate and vehicles. Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Real-Estate US$'000 (Unaudited)	Other US$'000 (Unaudited)	Total US$'000 (Unaudited)
Balance as at January 1, 2026	**38,040**	**8,221**	**46,261**
Depreciation charge for the six months ended June 30, 2026	**6,392**	**3,821**	**10,213**
Balance as at June 30, 2026	**33,842**	**5,092**	**38,934**
Depreciation charge for the six months ended June 30, 2025	**5,493**	**1,493**	**6,986**

Additions to the right-of-use assets during the six months ended June 30, 2026 were US$2,996,000 (six months ended June 30, 2025: US$5,314,000).

Depreciation has been charged to the following function of expenses:

	For the six months ended June 30, 2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Cost of sales	**7,981**	4,713
Engineering and product development costs	**1,110**	1,166
Administrative expenses	**1,122**	1,107
	10,213	6,986

8 LEASES (Continued)

Lease liabilities

(i) Gross lease liabilities – minimum lease payments:

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Within 1 year	**9,561**	19,272
Between 1 and 2 years	**11,526**	10,902
Between 2 and 5 years	**11,805**	11,636
Over 5 years	**930**	934
	33,822	42,744
Less: future finance charges	**(4,218)**	(5,525)
	29,604	37,219

(ii) Present value of lease liabilities:

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Within 1 year	**8,509**	17,345
Between 1 and 2 years	**10,348**	9,620
Between 2 and 5 years	**9,831**	9,334
Over 5 years	**916**	920
	29,604	37,219
Less: non-current portion	**(21,095)**	(19,874)
Current portion	**8,509**	17,345

For the six months ended June 30, 2026, the Group recognised interest on lease liabilities of US$997,000 (six months ended June 30, 2025: US$1,389,000) in the Condensed Financial Information.

For the six months ended June 30, 2026, the Group's total cash outflows for leases amounted to US$9,401,000 (six months ended June 30, 2025: US$9,134,000) in the Condensed Financial Information.

9 TRADE RECEIVABLES

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

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

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

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

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

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

10 NOTES RECEIVABLE

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

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

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

11 OTHER RECEIVABLES AND PREPAYMENTS

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Other taxes recoverable(i)	**38,333**	31,734
Prepaid assets	**67,680**	62,840
Contract assets(ii)	**35,909**	40,605
Deposits to vendors	**7,987**	11,335
Others	**7,921**	6,600
	157,830	153,114
Less: non-current portion	**(23,891)**	(19,516)
Current portion	**133,939**	133,598

Notes:

(i) Balance mainly represents value-added tax recoverable.

(ii) As stated in note 6, the Group has contracts with customers that require revenue to be recognised over time as costs are incurred. Contract assets balance represents rights to consideration for work completed but not billed, at the reporting date on production parts, tooling and engineering design and development/prototypes.

12 INVESTMENT IN FINANCIAL ASSET

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Current		
Financial asset mandatorily measured at FVTPL		
– Shares[(i)]	**15,674**	20,026
Total Current	**15,674**	20,026

Note:

(i) The Group has invested in listed shares in Hong Kong which are held for trading.

13 SHARE CAPITAL

	Number of ordinary shares	**Amount**
Issued and fully paid:		
HK$0.10 each as at June 30, 2026 and December 31, 2025	2,509,824,293	HK$250,982,429

There were no changes to the Company's share capital during the six months ended June 30, 2026 and 2025.

14 BORROWINGS

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Non-Current		
Borrowings from banks		
– Unsecured(1a(i))	**51,213**	49,729
Total Non-Current	**51,213**	49,729
Current		
Borrowings from banks		
– Unsecured(1a(i))	**147**	143
Add: Current portion of		
– Debt issuance costs(1b)	**–**	(64)
Total Current	**147**	79
Total Borrowings	**51,360**	49,808

1. Notes:

(a) The Group has the following significant utilised and unutilised bank facilities at the end of the reporting period:

(i) An unsecured credit facility as at June 30, 2026 obtained by a subsidiary of the Company with a balance of US$51,360,000 (December 31, 2025: US$49,808,000) that matures in October 2027. The credit facility bears interest at the China Loan Prime Rate minus 0.73% amortising with fixed principal payments due annually on each of the first and second anniversaries of the closing date, the next principal payment, due October 21, 2026, is US$147,000 with the remaining outstanding principal balance payable in full at maturity as a bullet payment. The credit facility has no remaining unused capacity as at June 30, 2026 and December 31, 2025.

(ii) A revolving line of credit obtained by a subsidiary of the Company which bears interest at SOFR plus a range of 1.50% to 2.00% (December 31, 2025: 1.35% to 1.85%) per annum, depending on borrowing type, matures in March 2027 and is secured by trade receivables, inventories and machinery and equipment. Availability under the agreement fluctuates according to a borrowing base. In addition, outstanding amounts under the credit facility may become immediately due and payable upon certain events of default, including failure to comply with the financial covenant in the credit agreement, a fixed charge coverage ratio requirement that applies when excess availability under the credit line is less than certain thresholds, or certain other affirmative and negative covenants in the agreement. As at June 30, 2026, the Group has availability of US$323,425,000 (December 31, 2025: US$284,148,000) of the US$325,000,000 line of credit.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended June 30, 2026

14 BORROWINGS (Continued)

1. Notes: (Continued)

(a) The Group has the following significant utilised and unutilised bank facilities at the end of the reporting period: (Continued)

(iii) A factoring facility with availability to borrow up to US$45,644,000 (December 31, 2025: US$46,999,000) by a subsidiary of the Company which bears interest at EURIBOR or WIBOR plus 1.50% per annum, and is secured by certain receivables. As at June 30, 2026, the subsidiary has availability to borrow based on collateral up to US$23,562,000 (December 31, 2025: US$19,214,000).

(iv) An overdraft facility with availability to borrow up to US$21,283,000 (December 31, 2025: US$22,252,000) by a subsidiary of the Company which bears interest at EURIBOR or WIBOR plus 1.30% per annum, depending on the currency borrowed, is secured by certain trade receivables, and expires in August 2026.

(v) A revolving line of credit with availability to borrow up to US$3,171,000 (December 31, 2025: US$3,340,000) by a subsidiary of the Company which bears interest at the India Repurchase Agreement Interest Rate plus 2.75% per annum, and is secured by property, plant and equipment, trade receivables and inventories.

(vi) A revolving line of credit with availability to borrow up to US$317,000 (December 31, 2025: US$3,340,000) by a subsidiary of the Company which bears interest at the India 3M Treasury Bill Rate plus 2.75% per annum, and is secured by property, plant and equipment, trade receivables and inventories.

(b) The Group capitalised debt issuance costs related to various borrowing as noted above. Amortisation of the debt issuance costs is recognised in the Condensed Financial Information as finance cost over the period of the borrowing using the effective interest method. The unamortised balance of debt issuance costs is US$nil as at June 30, 2026 (December 31, 2025: US$64,000).

2. **Maturity of borrowings**

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

14 BORROWINGS (Continued)

3. The carrying amount and fair value of non-current borrowings are as follows:

	Carrying amount		Fair value	
	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)	**As at June 30, 2026 US$'000 (Unaudited)**	As at December 31, 2025 US$'000 (Audited)
Bank borrowings	**51,213**	49,729	**51,213**	49,729

As at June 30, 2026, and December 31, 2025, the fair values of the group's non-current bank borrowings approximated their carrying amounts due to the floating-rate nature of the borrowings and the periodic repricing of interest rates based on prevailing market benchmarks. The fair value measurements are classified within Level 2 of the fair value hierarchy.

4. Weighted average annual interest rates

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Bank borrowings	**2.3%**	2.6%

15 PROVISIONS

	As at June 30, 2026 (Unaudited)			As at December 31, 2025 (Audited)		
	Current US$'000	**Non-current US$'000**	**Total US$'000**	Current US$'000	Non-current US$'000	Total US$'000
Litigation(i)	**48**	**2,435**	**2,483**	49	1,204	1,253
Environmental liabilities(ii)	**150**	**11,611**	**11,761**	150	11,695	11,845
Warranties(iii)	**29,838**	**65,825**	**95,663**	27,948	56,175	84,123
Decommissioning(iv)	**–**	**11,773**	**11,773**	–	11,483	11,483
	30,036	**91,644**	**121,680**	28,147	80,557	108,704

15 PROVISIONS (Continued)

Movement of provisions is as follows:

	Litigation(i) US$'000	Environmental liabilities(ii) US$'000	Warranties(iii) US$'000	Decom-missioning(iv) US$'000	Other Provision US$'000	Total US$'000
Six months ended June 30, 2026 (Unaudited)						
As at January 1, 2026	**1,253**	**11,845**	**84,123**	**11,483**	**–**	**108,704**
Additions, net	**1,538**	**1**	**23,685**	**282**	**–**	**25,506**
Payments	**(389)**	**(87)**	**(13,367)**	**–**	**–**	**(13,843)**
Exchange differences	**81**	**2**	**1,222**	**8**	**–**	**1,313**
As at June 30, 2026	**2,483**	**11,761**	**95,663**	**11,773**	**–**	**121,680**
Six months ended June 30, 2025 (Unaudited)						
As at January 1, 2025	858	11,937	74,477	10,729	1,760	99,761
Additions, net	172	2	26,739	229	–	27,142
Payments	(50)	(63)	(18,428)	–	–	(18,541)
Exchange differences	81	5	2,427	52	–	2,565
As at June 30, 2025	1,061	11,881	85,215	11,010	1,760	110,927

Notes:

(i) Litigation

The balance represents a provision primarily for certain labour claims brought against the Group. Litigation is subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. Based on current available information, it is the opinion of management that the outcome of such matters will not have a material adverse impact on the Group.

(ii) Environmental liabilities

A provision is recognised for remediation costs to be incurred for the restoration of the manufacturing sites upon the initial recognition of the related assets.

(iii) Warranties

A provision is recognised for warranty costs associated with products sold to the customer principally at the time of sale or when it is determined that such obligations are probable and can be reasonably estimated.

(iv) Decommissioning

This represents asset retirement obligations at certain of the Group's facilities.

16 DEFERRED REVENUE

Contract liabilities are associated with consideration received from customers in advance of transferring goods promised in the contract. The Group periodically receives upfront consideration from customers in connection with engineering, prototyping and pre-production programme-specific activities and advanced payments related to programmes in production. These revenue amounts are deferred and recognised over the life of the related programme, which typically ranges between four and eight years. The carrying amount of deferred revenue is as follows:

	As at June 30, 2026 (Unaudited)			As at December 31, 2025 (Audited)		
	Current US$'000	**Non-current US$'000**	**Total US$'000**	Current US$'000	Non-current US$'000	Total US$'000
Deferred revenue	**27,973**	**169,609**	**197,582**	27,454	154,883	182,337

Movement of deferred revenue is as follows:

	For the six months ended June 30,	
	2026 US$'000 (Unaudited)	2025 US$'000 (Audited)
As at January 1	**182,337**	133,391
Additions	**34,680**	13,111
Recognised in profit or loss	**(20,132)**	(16,358)
Exchange differences	**697**	1,551
As at June 30	**197,582**	131,695

17 TRADE PAYABLES

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

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

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

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

18 OTHER PAYABLES AND ACCRUALS

	As at June 30, 2026 US$'000 (Unaudited)	As at December 31, 2025 US$'000 (Audited)
Accrued expenses	**169,514**	199,997
Deposits from customers	**1,678**	1,544
Other taxes payable	**16,468**	11,373
Dividends payable to equity holders of the Company	**45,702**	–
Others	**25,757**	20,743
	259,119	233,657
Less: non-current portion	**(21,808)**	(32,281)
Current portion	**237,311**	201,376

19 OTHER GAINS, NET

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

20 EXPENSE BY NATURE

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Raw materials, including work-in-progress and finished goods	**1,478,750**	1,479,635
Employee labour and benefit costs	**322,756**	302,559
Temporary labour costs	**66,788**	60,036
Supplies and tools	**100,060**	84,922
Depreciation on property, plant and equipment (note 7)	**72,051**	70,492
Depreciation on right-of-use assets (note 8)	**10,213**	6,986
Amortisation on intangible assets (note 7)	**63,360**	60,811
Impairment charges on		
– trade receivables (note 9)	**1,477**	166
– intangible assets (note 7)[i]	**1,251**	1,579
Customer recovery income related to impairments (note 7)	**–**	(2,643)
Write-down on inventories	**595**	1,134
Warranty expenses (note 15)	**23,685**	26,739
Auditors' remuneration		
– audit and non-audit services	**334**	231
Others	**81,342**	58,265
Total cost of sales, engineering and product development costs, selling and distribution, and administrative expenses	**2,222,662**	2,150,912

Note:

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

21 SHARE-BASED PAYMENTS

(a) Share options

Pursuant to a shareholders' resolution passed on June 5, 2014, the Company adopted a share option scheme (the **Share Option Scheme**). The Share Option Scheme had remained in force for a period of 10 years commencing from June 5, 2014 until its expiration on June 5, 2024. The period within which the option may be exercised must expire no later than 10 years from the relevant date of grant.

The options will be vested and become exercisable after the grantees complete a period of service of 1 to 3 years from the date of grant and subject to the Group achieving its performance targets.

Movements in the number of share options outstanding and their weighted average exercise prices are as follows:

	Weighted average exercise price (per share) HK$	**Outstanding options (thousands)**
As at January 1, 2025 (Audited)	5.830	4,743
Forfeited	4.268	(117)
As at June 30, 2025 (Unaudited)	5.870	4,626
Exercisable as at June 30, 2025	11.094	1,085
As at January 1, 2026 (Audited)	**4.268**	**1,085**
Forfeited	**9.811**	**(558)**
As June 30, 2026 (Unaudited)	**12.456**	**527**
Exercisable as at June 30, 2026	**12.456**	**527**

There were no options granted during the six months ended June 30, 2026 and 2025. No options were available for grant as at June 30, 2026 and 2025 as the Share Option Scheme expired on June 5, 2024.

The weighted average remaining contractual life for the share options outstanding as at June 30, 2026 was 1.8 years (December 31, 2025: 2.2 years). The exercise price for options outstanding as at June 30, 2026 was HK$12.456 (December 31, 2025: HK$4.268 to HK$12.456).

The fair value of the share options charged to the Condensed Financial Information was US$nil for the six months ended June 30, 2026 (six months ended June 30, 2025: US$nil).

21 SHARE-BASED PAYMENTS (Continued)

(b) Restricted Units and Performance Units

On March 26, 2024, the Board approved the adoption of the Value Creation Plan (**VCP**).

Restricted Units granted under the VCP shall be settled in cash and shall vest based on continued service over a three-year vesting period and based on Company's share price. The cash value will be converted into the number of units at the beginning of the service period, using the average closing price per share for the twenty trading dates immediately prior to the first trading day of the service period. At the end of the service period the units will be reconverted into cash value calculated based on the average closing price per share for the twenty trading dates immediately prior to the last trading day of the service period. Dividend equivalents are accrued (without interest) and cash-settled on the vested Restricted Units. If the participant leaves the Company before the end of vesting period for reason, the Restricted Units will be forfeited and cancelled.

Performance Units granted under the VCP shall be settled in cash and shall be based on continued service and a three-year performance of total shareholder return, as determined by the Board, when comparing against the performance of selected global peer group, which may range from 0% to 300% for the target award amount. Dividend equivalents are accrued (without interest) and cash-settled on the vested Performance Units. If the participant leaves the Company before the end of vesting period reason, the Performance Units will be forfeited and cancelled.

Restricted Units and Performance Units are expected to be settled in cash and are accounted for as cash-settled share-based payments.

Pursuant to the VCP, the Company granted 1,395,000 Restricted Units and 4,184,000 Performance Units awards to certain eligible individuals on June 28, 2024 (**2024 Awards**). The 2024 Awards remain in force for a service period beginning on January 1, 2024, and will end on December 31, 2026 and include the performance conditions defined above.

Pursuant to the VCP, the Company granted 2,077,000 Restricted Units and 6,232,000 Performance Units awards to certain eligible individuals on March 20, 2025 (**2025 Awards**). The 2025 Awards remain in force for a service period beginning on January 1, 2025, and will end on December 31, 2027 and include the performance conditions defined above.

Pursuant to the VCP, the Company granted 1,254,000 Restricted Units and 3,761,000 Performance Units awards to certain eligible individuals on November 12, 2025 (**2026 Awards**). The 2026 Awards remain in force for a service period beginning on January 1, 2026, and will end on December 31, 2028 and include the performance conditions defined above.

21 SHARE-BASED PAYMENTS (Continued)

(b) Restricted Units and Performance Units (Continued)

Restricted Unit and Performance Unit transactions and related information for the six months ended June 30, 2026 was as follows:

	Outstanding Restricted Units (thousands)	Weighted average fair value of Restricted Units (per unit) HK$	Outstanding Performance Units (thousands)	Weighted average fair value of Performance Units (per unit) HK$
As at January 1, 2025 (Audited)	1,427	3.313	4,282	–
Granted	2,077	4.066	6,232	6.099
Forfeited	(41)	3.291	(126)	–
Dividend Equivalent Units awarded	233	5.530	700	7.634
As at June 30, 2025 (Unaudited)	3,696	5.513	11,088	7.634
As at January 1, 2026 (Audited)	**2,802**	**6.235**	**8,406**	**8.287**
Granted	**1,254**	**6.235**	**3,761**	**9.352**
Forfeited	**(1,416)**	**6.204**	**(4,248)**	**7.439**
Dividend Equivalent Units awarded	**98**	**4.070**	**294**	**1.491**
As at June 30, 2026 (Unaudited)	**2,738**	**4.440**	**8,213**	**1.598**

The total fair value of Restricted Units and Performance Units (credited)/charged to the Condensed Financial Information during the six months ended June 30, 2026, was US$(1,550,000) (six months ended June 30, 2025: US$2,661,000). During the six months ended June 30, 2026 and 2025, no cash payments were made to settle the 2024 Awards, 2025 Awards and 2026 Awards. As at June 30, 2026, the payable for Restricted Units and Performance Units of US$3,292,000 was included in "other payables and accruals" (December 31, 2025: US$4,842,000).

21 SHARE-BASED PAYMENTS (Continued)

(b) Restricted Units and Performance Units (Continued)

The fair value of the Restricted Units is determined based on the closing price of the Company's shares as of June 30, 2026 and 2025. The fair value of Performance Units is estimated using a Monte Carlo simulation. Expected volatility was calculated based on historical stock price volatility. The dividend yield was based on historical patterns and future expectation. The fair value of the Performance Units was estimated using the following assumptions:

	For the six months ended June 30, 2026 (Unaudited)	For the six months ended June 30, 2025 (Unaudited)
The 20-day average stock price as of June 30	**HK$4.440**	HK$5.513
Weighted average expected volatility	**77.99%**	65.14%
Expected dividend yield	**3.46%**	1.14%
Range of the expected term	**0.5-2.5 years**	1.5-2.5 years
Range of risk-free rates	**4.01%-4.145%**	3.70%-3.84%

22 INVESTMENT INCOME, NET/FINANCE COSTS

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

23 INCOME TAX EXPENSE

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

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

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

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

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

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

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

24 EARNINGS PER SHARE

a. **Basic**

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

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

b. **Diluted**

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

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

25 DIVIDEND

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

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

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

26 COMMITMENTS

Capital commitments

The Group has capital commitments of US$141,072,000 as at June 30, 2026 to purchase property, plant and equipment which are contracted but not provided for (December 31, 2025: US$84,271,000).

27 RELATED PARTY TRANSACTIONS

a. Transactions with Yubei Steering Systems Co., Ltd. (Yubei Steering), an associate of AVIC

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Purchase of goods	**–**	825

b. Transactions with a joint venture

The following table sets forth the transactions between the Group and its joint venture.

	For the six months ended June 30,	
	2026	2025
	US$'000	US$'000
	(Unaudited)	(Unaudited)
Sale of product, equipment and services(i)	**37,061**	57,044
Purchase of services(i)	**4,560**	4,371

Note:

i. Services include engineering services, rent and other fees.

27 RELATED PARTY TRANSACTIONS (Continued)

b. Transactions with a joint venture (Continued)

Information about the Group's joint venture is disclosed as follows:

Nexteer (China) Holding Co., Ltd. (**Nexteer China Holding**) (a direct, wholly-owned subsidiary of the Company) holds a 50% ownership interest in a joint venture, Chongqing Nexteer Steering Systems Co., Ltd. (**Chongqing Nexteer**) in Chongqing, China. The joint venture was formed to manufacture and sell steering parts, and the remaining 50% interest is held by Chongqing Jianshe Industry (Group) Co., Ltd.

As at June 30, 2026 the Group's carrying amount of its investment in a joint venture is US$24,266,000 (December 31, 2025: US$27,571,000) which is related to Chongqing Nexteer, reflecting the Group's share of the joint venture's results and a dividend received from Chongqing Nexteer of RMB30,000,000 (equivalent to US$4,301,000) during the six months ended June 30, 2026. For the six months ended June 30, 2026, the Group's share of results from the joint venture amount to US$996,000 (June 30, 2025: US$1,761,000).

c. Key management compensation

The remunerations of the CEO, directors and other key management members were as follows:

	For the six months ended June 30,	
	2026 US$'000 (Unaudited)	2025 US$'000 (Unaudited)
Short-term employee benefits	**6,709**	8,421
Other long-term benefits	**1,298**	1,155
Share-based payments	**(1,548)**	2,661
	6,459	12,237

These remunerations are determined based on the performance of individuals and market trends.

28 SUBSEQUENT EVENT

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