BRILLIANCE
CHINA AUTOMOTIVE
HOLDINGS LIMITED

(華晨中國汽車控股有限公司)*

(Incorporated in Bermuda with limited liability)

Stock Code : 1114

Brilliance Auto
华晨汽车

Interim Report 2026

**for identification purposes only*

RESULTS

The board of directors (the "**Board**") of Brilliance China Automotive Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30th June, 2026. The unaudited condensed consolidated interim financial statements have been reviewed by the audit committee of the Board.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

		(Unaudited) For the six months ended 30th June,	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**675,773**	561,692
Cost of sales		**(608,121)**	(468,214)
Gross profit		**67,652**	93,478
Other income and other gains, net		**21,140**	14,829
Interest income		**21,050**	78,164
Selling expenses		**(15,839)**	(33,440)
General and administrative expenses		**(215,982)**	(279,895)
Net provision of expected credit loss ("**ECL**") allowance on loans and receivables		**(23,342)**	(627)
Finance costs	*5*	**(3,548)**	(3,194)
Share of results of associates		**974,040**	2,048,529
Share of results of a joint venture		**(62,010)**	(11,583)
Profit before income tax expense	*6*	**763,161**	1,906,261
Income tax expense	*8*	**(2,634)**	(252,044)
Profit for the period		**760,527**	1,654,217
Attributable to:			
Equity holders of the Company		**778,503**	1,701,404
Non-controlling interests		**(17,976)**	(47,187)
		760,527	1,654,217
Earnings per share	*9*		
– Basic		**RMB0.15430**	RMB0.33723
– Diluted		**RMB0.15430**	RMB0.33723

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	(Unaudited) For the six months ended 30th June, 2026 *RMB'000*	2025 *RMB'000*
Profit for the period	**760,527**	1,654,217
Other comprehensive (expense) income that will be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Share of other comprehensive (expense) income of associates	**(1,190,183)**	1,588,677
Share of other comprehensive expense of a joint venture	**(38)**	–
Fair value gain on notes receivable at fair value through other comprehensive income ("**FVOCI**")	**625**	175
	(1,189,596)	1,588,852
Other comprehensive expense that will not be subsequently reclassified to consolidated statement of profit or loss, net of tax		
Share of other comprehensive expense of a joint venture	**(4,393)**	–
Change in fair value of equity investments	**(68)**	(52)
	(4,461)	(52)
Total comprehensive (expense) income for the period	**(433,530)**	3,243,017
Attributable to:		
Equity holders of the Company	**(415,554)**	3,290,204
Non-controlling interests	**(17,976)**	(47,187)
	(433,530)	3,243,017

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**(Unaudited) As at 30th June, 2026** *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Non-current assets			
Intangible assets	*11*	**129,058**	129,393
Property, plant and equipment	*11*	**1,353,575**	1,273,303
Land lease prepayments	*11*	**68,615**	69,674
Interests in associates	*12*	**10,810,881**	12,296,010
Interests in a joint venture	*13*	**575,885**	642,326
Equity investment	*14*	**1,698**	1,766
Long-term loan receivables	*15*	**1,050,899**	1,286,784
Prepayments for property, plant and equipment		**53,230**	82,169
Other non-current assets		**41,271**	50,027
Total non-current assets		**14,085,112**	15,831,452
Current assets			
Cash and cash equivalents	*16*	**4,444,939**	4,500,027
Short-term bank deposits	*17*	**2,147,695**	708,965
Inventories		**628,552**	516,607
Accounts receivable	*18*	**480,806**	408,323
Notes receivable	*19*	**159,224**	164,243
Short-term loan receivables	*15*	**770,331**	825,012
Other current assets	*20*	**633,612**	625,533
Total current assets		**9,265,159**	7,748,710
Current liabilities			
Accounts payable	*21*	**438,262**	447,595
Notes payable		**292,390**	209,930
Other current liabilities	*22*	**548,222**	537,034
Short-term bank borrowings	*23*	**124,200**	–
Income tax payable		**4,330**	3,475
Provision for loss	*24*	**276,732**	276,732
Total current liabilities		**1,684,136**	1,474,766

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

	Note	(Unaudited) As at 30th June, 2026 RMB'000	(Audited) As at 31st December, 2025 RMB'000
Net current assets		**7,581,023**	6,273,944
Total assets less current liabilities		**21,666,135**	22,105,396
Non-current liabilities			
Other non-current liabilities	*22*	**159,719**	165,450
Net assets		**21,506,416**	21,939,946
Capital and reserves			
Share capital	*25*	**397,176**	397,176
Reserves	*26*	**20,213,790**	20,629,344
Total equity attributable to equity holders of the Company		**20,610,966**	21,026,520
Non-controlling interests		**895,450**	913,426
Total equity		**21,506,416**	21,939,946

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30th June, 2025 (Unaudited)

	Attributable to the equity holders of the Company										
	Issued capital *RMB'000*	Hedging reserve *RMB'000*	Share premium *RMB'000*	Investment fair value reserve *RMB'000*	FVOCI reserve *RMB'000*	Cumulative translation adjustments reserve *RMB'000*	Capital reserve *RMB'000*	Retained earnings *RMB'000*	Total equity attributable to the equity holders of the Company *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1st January, 2025	397,176	(570,359)	2,476,082	(9,656)	(479)	39,179	120,000	23,609,035	26,060,978	1,036,903	27,097,881
Transactions with equity holders of the Company											
Dividends *(Note 10)*	–	–	–	–	–	–	–	(4,738,677)	(4,738,677)	–	(4,738,677)
Profit for the period	–	–	–	–	–	–	–	1,701,404	1,701,404	(47,187)	1,654,217
Other comprehensive income											
Share of other comprehensive income of associates	–	1,588,666	–	–	11	–	–	–	1,588,677	–	1,588,677
Change in fair value of financial assets	–	–	–	(52)	175	–	–	–	123	–	123
Total other comprehensive income	–	1,588,666	–	(52)	186	–	–	–	1,588,800	–	1,588,800
Total comprehensive income	–	1,588,666	–	(52)	186	–	–	1,701,404	3,290,204	(47,187)	3,243,017
As at 30th June, 2025	397,176	1,018,307	2,476,082	(9,708)	(293)	39,179	120,000	20,571,762	24,612,505	989,716	25,602,221

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

Six months ended 30th June, 2026 (Unaudited)

	Attributable to the equity holders of the Company										
	Issued capital *RMB'000*	Hedging reserve *RMB'000*	Share premium *RMB'000*	Investment fair value reserve *RMB'000*	FVOCI reserve *RMB'000*	Cumulative translation adjustments reserve *RMB'000*	Capital reserve *RMB'000*	Retained earnings *RMB'000*	Total equity attributable to the equity holders of the Company *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
As at 1st January, 2026	397,176	828,761	2,476,082	(5,336)	(725)	39,179	120,000	17,171,383	21,026,520	913,426	21,939,946
Profit for the period	-	-	-	-	-	-	-	778,503	778,503	(17,976)	760,527
Other comprehensive expense											
Share of other comprehensive expense of associates	-	(1,190,183)	-	-	-	-	-	-	(1,190,183)	-	(1,190,183)
Share of other comprehensive expense of a joint venture	-	-	-	(4,393)	-	(38)	-	-	(4,431)	-	(4,431)
Change in fair value of financial assets	-	-	-	(68)	625	-	-	-	557	-	557
Total other comprehensive expense	-	(1,190,183)	-	(4,461)	625	(38)	-	-	(1,194,057)	-	(1,194,057)
Total comprehensive expense	-	(1,190,183)	-	(4,461)	625	(38)	-	778,503	(415,554)	(17,976)	(433,530)
As at 30th June, 2026	397,176	(361,422)	2,476,082	(9,797)	(100)	39,141	120,000	17,949,886	20,610,966	895,450	21,506,416

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Net cash generated from (used in) operating activities	**98,847**	(257,757)
Net cash (used in) generated from investing activities	**(229,419)**	527,525
Net cash generated from (used in) financing activities	**108,994**	(4,952,307)
Decrease in cash and cash equivalents	**(21,578)**	(4,682,539)
Cash and cash equivalents, as at 1st January	**4,500,027**	10,539,550
Retranslation of cash and cash equivalents	**(33,510)**	–
Cash and cash equivalents, as at 30th June	**4,444,939**	5,857,011

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ORGANISATION AND OPERATIONS

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

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

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

2. STATEMENT OF COMPLIANCE AND ACCOUNTING POLICIES

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

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the consolidated annual financial statements for the year ended 31st December, 2025, except for the adoption of the amended HKFRS Accounting Standards effective for the first time for the annual periods beginning on or after 1st January, 2026 and expect to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 3 to these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements are unaudited and do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31st December, 2025.

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 21st August, 2026.

3. ADOPTION OF AMENDED HKFRS ACCOUNTING STANDARDS

The condensed consolidated interim financial statements for the six months ended 30th June, 2026 have been prepared in accordance with the accounting policies adopted in the Group's annual consolidated financial statements for the year ended 31st December, 2025, except for the following amended HKFRS Accounting Standards (the "**Amended HKFRS Accounting Standards**") which are effective as of 1st January, 2026.

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

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

The Group has not early adopted the new or amended HKFRS Accounting Standards that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new or amended HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

4. REVENUE AND SEGMENT INFORMATION

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

Revenue earned during the six months ended 30th June, 2026 represents:

	(Unaudited) For the six months ended 30th June, 2026 *RMB'000*	2025 *RMB'000*
Sale of non-BMW vehicles and automotive components, net of taxes, discounts and return	**616,202**	481,951
Interest and service charge income from provision of auto financing service, net of other indirect taxes	**59,571**	79,741
	675,773	561,692

The Group has identified the following reportable segments:

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

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

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

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

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

In addition, segment assets and segment liabilities include assets and liabilities of the "manufacture and sale of BMW vehicles and components through BBA" segment, which are currently reported on the basis of the Group's share of equity interests in BBA included in the condensed consolidated financial statements prepared under HKFRS Accounting Standards.

4. **REVENUE AND SEGMENT INFORMATION (Cont'd)**

Revenue and results by reportable segments and reconciliation of segment results to profit before income tax expense for the period – for the six months ended 30th June, 2026

	(Unaudited)				
	Manufacture and sale of non-BMW vehicles and automotive components *RMB'000*	**Provision of auto financing service** *RMB'000*	**Manufacture and sale of BMW vehicles and components through BBA** *RMB'000*	**Reconciliation to the Group's condensed consolidated statement of profit or loss and intersegment elimination** *RMB'000*	**Total** *RMB'000*
Segment sales to external customers	**616,202**	**59,571**	**64,964,089**	**(64,964,089)**	**675,773**
Segment results	**(104,263)**	**(12,839)**	**3,873,967**	**(3,873,967)**	**(117,102)**
Unallocated costs net of unallocated revenue					**(49,269)**
Interest income					**21,050**
Finance costs					**(3,548)**
Share of results of associates					**974,040**
Share of results of a joint venture					**(62,010)**
Profit before income tax expense					**763,161**

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

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

4. **REVENUE AND SEGMENT INFORMATION (Cont'd)**

The assets and liabilities by reportable segments as at 30th June, 2026

	(Unaudited)				
	Manufacture and sale non-BMW vehicles and automotive components *RMB'000*	**Provision of auto financing service** *RMB'000*	**Manufacture and sale of BMW vehicles and components through BBA** *RMB'000*	**Reconciliation to the Group's condensed consolidated statement of financial position and intersegment elimination** *RMB'000*	**Total** *RMB'000*
Segment assets	**9,484,132**	**2,333,176**	**105,594,245**	**(106,344,787)**	**11,066,766**
Interests in associates					**10,810,881**
Interests in a joint venture					**575,885**
Equity investment					**1,698**
Unallocated assets					**895,041**
Total assets					**23,350,271**
Segment liabilities	**1,774,204**	**779,379**	**66,598,799**	**(67,349,341)**	**1,803,041**
Unallocated liabilities					**40,814**
Total liabilities					**1,843,855**

The assets and liabilities by reportable segments as at 31st December, 2025

	(Audited)				
	Manufacture and sale of non-BMW vehicles and automotive components *RMB'000*	Provision of auto financing service *RMB'000*	Manufacture and sale of BMW vehicles and components through BBA *RMB'000*	Reconciliation to the Group's condensed consolidated statement of financial position and intersegment elimination *RMB'000*	Total *RMB'000*
Segment assets	8,098,214	2,445,566	117,288,362	(118,138,976)	9,693,166
Interests in associates					12,296,010
Interests in a joint venture					642,326
Equity investment					1,766
Unallocated assets					946,894
Total assets					23,580,162
Segment liabilities	1,561,743	878,873	72,324,739	(73,175,353)	1,590,002
Unallocated liabilities					50,214
Total liabilities					1,640,216

5. FINANCE COSTS

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Interest expense on:		
– discounted bank guaranteed notes/net loss arising on FVOCI	**–**	129
– short-term bank borrowings	**1,324**	–
– finance charge on lease liabilities	**2,224**	3,065
	3,548	3,194

6. PROFIT BEFORE INCOME TAX EXPENSE

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

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Charging:		
ECL allowance for:		
– Loan receivables	**22,357**	34,344
– Accounts receivable	**2,588**	1,303
– Other receivables	**1,155**	671
Cost of inventories	**598,447**	449,924
Amortisation of intangible assets *(a)*	**14,248**	15,519
Amortisation of land lease prepayments	**1,059**	1,059
Depreciation of property, plant and equipment: *(a)*		
– Owned assets	**38,774**	37,825
– Right-of-use assets	**14,151**	16,378
Impairment loss on property, plant and equipment	**–**	55,486
Staff costs (including directors' emoluments) *(Note 7)*	**152,357**	145,550
Provision for inventories	**–**	2,951
Research and development costs *(b)*	**52,384**	52,701
Warranty provision *(b)*	**1,365**	1,380
Lease charges:		
– Short-term leases with lease term of 12 months or shorter	**3,964**	2,772
– Low-value items	**–**	55
Loss on disposal of property, plant and equipment	**2,242**	4,528
Loss on disposal of intangible assets	**133**	–
Exchange loss, net *(b)*	**35,137**	21,269
Crediting:		
Rental income from land and buildings	**181**	525
Reversal of ECL allowance for:		
– Accounts receivable	**2,013**	–
– Accounts receivable from affiliated companies	**11**	1,731
– Other receivables	**377**	–
– Amounts due from affiliated companies	**357**	33,960
Reversal of provision for inventories sold	**105**	13,277

(a) Depreciation of property, plant and equipment and amortisation of intangible assets in relation to production were included in cost of sales; while the amounts attributable to other purposes were included in general and administrative expenses.

(b) included in general and administrative expenses.

7. STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Wages, salaries and performance related bonus	**109,381**	103,424
Pension costs – defined contribution plans	**12,365**	10,452
Staff welfare costs	**30,611**	31,674
	152,357	145,550

8. INCOME TAX EXPENSE

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Current tax		
PRC corporate income tax		
– Current period	**2,758**	2,044
– Over provision in prior years	**(124)**	–
PRC withholding tax on dividend	**–**	250,000
	2,634	252,044

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

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company for the six months ended 30th June, 2026 of approximately RMB778,503,000 *(Six months ended 30th June, 2025: approximately RMB1,701,404,000)* by the weighted average number of ordinary shares of 5,045,269,000 shares *(Six months ended 30th June, 2025: 5,045,269,000 shares)*.

Diluted earnings per share is the same as basic earnings per share for the six months ended 30th June, 2026 as there was no potential dilutive ordinary share in issue during the six months ended 30th June, 2026 *(Six months ended 30th June, 2025: same)*.

10. DIVIDENDS

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Special dividends	**–**	4,738,677

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

The directors of the Company declared a dividend of HK$0.5 per share at the Board meeting held on 21st August, 2026 in respect of the Group's interim results for the six months ended 30th June, 2026 *(Six months ended 30th June, 2025: HK$0.8 per share, totalling approximately HK$4,036,215,000 or RMB3,684,661,000).*

11. CAPITAL EXPENDITURES

	(Unaudited)			
	Intangible assets	**Property, plant and equipment**	**Land lease prepayments**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Net book value as at 1st January, 2026	129,393	1,273,303	69,674	1,472,370
Additions	14,046	135,729	–	149,775
Disposals/Write-off	(133)	(2,532)	–	(2,665)
Amortisation/Depreciation	(14,248)	(52,925)	(1,059)	(68,232)
Net book value as at 30th June, 2026	**129,058**	**1,353,575**	**68,615**	**1,551,248**

As at 30th June, 2026, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025	**(Unaudited) For the six months ended 30th June, 2026**	2025
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Buildings	**88,607**	97,782	**13,780**	15,422
Machinery & equipment	**–**	319	**319**	956
Motor vehicles	**238**	–	**52**	–
	88,845	98,101	**14,151**	16,378

During the six months ended 30th June, 2026, the total additions to right-of-use assets as included in property, plant and equipment amounted to approximately RMB4,895,000 including modification of lease to increase lease assets of approximately RMB3,604,000 *(Six months ended 30th June, 2025: approximately RMB7,673,000 including modification of lease to reduce lease assets of approximately RMB318,000)*. During the six months ended 30th June, 2025, the net book value of right-of-use assets as included in property, plant and equipment disposed amounted to approximately RMB3,663,000 and there was no disposal of right-of-use assets during the six months ended 30th June, 2026.

12. INTERESTS IN ASSOCIATES

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Share of net assets by equity method and goodwill:		
Associates listed in Hong Kong	**630,746**	622,829
Less: accumulated impairment loss for interests in an associate listed in Hong Kong	**(72,799)**	(72,799)
	557,947	550,030
Unlisted associates:		
– BBA	**9,748,862**	11,240,906
– Other unlisted associates	**504,072**	505,074
	10,252,934	11,745,980
	10,810,881	12,296,010
Fair value of investment in associates listed in Hong Kong	**78,869**	115,610

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

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Current assets	**34,320,076**	44,041,582
Non-current assets	**71,274,169**	73,246,780
Current liabilities	**(49,232,023)**	(56,447,833)
Non-current liabilities	**(17,366,776)**	(15,876,906)
Net assets	**38,995,446**	44,963,623
Proportion of the Group's ownership interest in BBA	**25%**	25%
Carrying amount of interest in BBA	**9,748,862**	11,240,906

12. INTERESTS IN ASSOCIATES (Cont'd)

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Revenue	**64,964,089**	85,796,182
Profit for the period	**3,873,967**	8,206,355
Dividends attributable to the Group	**1,270,352**	4,287,924

Aggregate information of associates that are not individually material:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the condensed consolidated financial statements	**1,062,019**	1,055,104
Net profit (loss) and other comprehensive income (expense) of immaterial associates attributable to the Group	**5,549**	(30,752)
Dividends from immaterial associates attributable to the Group	**–**	77,100

13. INTERESTS IN A JOINT VENTURE

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Share of net assets by equity method – Unlisted joint venture	**575,885**	642,326

Interests in a joint venture represents 50% equity interest in Yuxin Zhixing Technology (Shenyang) Co., Ltd. ("**Yuxin**"), an equity joint venture established in China with paid-up registered capital of RMB500,000,000 and principal activity of the manufacture of intelligent cockpit and display.

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

The aggregate financial information of Yuxin are as follows:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Carrying amount in the condensed consolidated financial statements	**575,885**	642,326

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Share of results for the period	**(62,010)**	(11,583)
Share of other comprehensive expense for the period	**(4,431)**	–
Share of total comprehensive expense for the period	**(66,441)**	(11,583)

14. EQUITY INVESTMENT

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Financial asset of FVOCI (non-recycling)		
– Listed equity investment in Hong Kong	**1,698**	1,766

15. LOAN RECEIVABLES

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Gross loan receivables	**1,855,609**	2,151,547
Less: ECL allowance	**(34,379)**	(39,751)
	1,821,230	2,111,796
Less: current portion	**(770,331)**	(825,012)
Long-term loan receivables	**1,050,899**	1,286,784
Gross loan receivables recoverable based on repayment schedule:		
– No later than one year	**791,805**	846,015
– Later than one year and no later than five years	**1,063,804**	1,305,532
	1,855,609	2,151,547

15. LOAN RECEIVABLES (Cont'd)

BBAFC has joint auto financing service with an affiliated company of a non-controlling interest of BBAFC ("**Joint Lender**"). The credit risk under this joint auto financing to the Group is only up to the amount financed by the Group and motor vehicles secured by retail borrowers are also shared proportionately between the Group and the Joint Lender in case of default by the retail borrowers. As at 30th June, 2026, loan receivables of approximately RMB79,278,000 *(As at 31st December, 2025: approximately RMB113,778,000)* were the balances to the Group under this joint auto financing arrangement.

All loan receivables were derived from the business of provision of auto financing by BBAFC during the period. These loan receivables are denominated in Renminbi and secured by the motor vehicles of the borrowers for retail auto financing. These loan receivables bear fixed effective interest rates ranging from 3.50% to 12.98% *(As at 31st December, 2025: from 5.19% to 12.98%)* per annum. The actual interest rate offered to borrowers were determined with reference to the market rates from competitors at the material time, customer profiles and the brand of the motor vehicle which BBAFC is cooperating with.

The gross overdue loan receivables analysed by overdue period as at 30th June, 2026 is as follows:

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Overdue		
– 1 to 60 days	**47,986**	106,044
– 61 to 90 days	**8,063**	8,597
– 91 to 120 days	**4,666**	3,563
– more than 120 days	**8,066**	5,080
	68,781	123,284

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

16. CASH AND CASH EQUIVALENTS

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

17. SHORT-TERM BANK DEPOSITS

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

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Time deposits with maturities over three months	**1,637,880**	253,000
Restricted short-term bank deposits *(Note i)*	**283,323**	276,732
Pledged short-term bank deposits for		
– bank guaranteed notes issued *(Note ii)*	**196,492**	164,233
– short-term bank borrowing facilities *(Note 23)*	**30,000**	15,000
Total pledged and restricted short-term bank deposits	**509,815**	455,965
	2,147,695	708,965

Note i: Included in restricted short-term bank deposits is approximately RMB276,732,000 *(As at 31st December, 2025: approximately RMB276,732,000)* restricted by the order of the local court for the potential loss to the claim from a bank as detailed in note 24. The remaining restricted short-term bank deposits of approximately RMB6,591,000 *(As at 31st December, 2025: Nil)* were for other insignificant civil claims.

Note ii: As at 30th June, 2026, in addition to short-term deposits pledged, the Group had also pledged bank guaranteed notes receivable from third parties and related parties of approximately RMB88.8 million *(As at 31st December, 2025: approximately RMB70.9 million)* to secure the issue of bank guaranteed notes.

18. ACCOUNTS RECEIVABLE

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Accounts receivable	**478,211**	405,492
Accounts receivable from affiliated companies *(Note 27(c))*	**2,595**	2,831
	480,806	408,323

18. ACCOUNTS RECEIVABLE (Cont'd)

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

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Less than six months	**444,222**	404,854
Six months to one year	**35,196**	583
Above one year to two years	**5,463**	7,873
Above two years but less than five years	**4,707**	3,139
Five years or above	**33,876**	33,721
	523,464	450,170
Less: ECL allowance	**(45,253)**	(44,678)
	478,211	405,492

As at 30th June, 2026, accounts receivable from third parties of approximately RMB16 million *(As at 31st December, 2025: approximately RMB18 million)* are substantially denominated in U.S. Dollar or Euro and the rest are denominated in Renminbi.

The Group's credit policy is to minimise credit risk. Credit history and background of new customers and debtors are checked and security deposits or letters of credit are usually obtained from major customers. Credit limits with credit terms of 30 to 90 days are set for PRC customers, and customers considered to be high risk are traded on cash basis or upon receipt of bank guaranteed notes or letters of credit.

19. NOTES RECEIVABLE

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Notes receivable	**153,944**	160,860
Notes receivable from affiliated companies *(Note 27(d))*	**5,280**	3,383
	159,224	164,243

All notes receivable are denominated in Renminbi and are primarily notes received from customers for settlement of accounts receivable balances. As at 30th June, 2026, all notes receivable were guaranteed by established banks in the PRC with maturities of less than six months from 30th June, 2026 *(As at 31st December, 2025: same)*.

The Group does not hold the notes receivable until maturity but endorses or discounts these notes receivable before maturity for the settlement of the Group's creditors. Accordingly, these notes receivable are classified as financial assets at FVOCI (recycling) and are stated at fair value. The fair value is based on the net present value at 30th June, 2026 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable *(At 31st December, 2025: same)*. The fair value is within level 2 of the fair value hierarchy.

20. OTHER CURRENT ASSETS

	Note	**(Unaudited) As at 30th June, 2026 *RMB'000***	(Audited) As at 31st December, 2025 *RMB'000*
Other receivables	*20(a)*	**215,549**	235,070
Amounts due from affiliated companies	*27(e)*	**32,593**	32,178
Prepayments and other current assets		**223,519**	170,570
Prepayments to affiliated companies	*27(f)*	**9,473**	21,405
Other taxes recoverable		**152,478**	120,456
Dividends receivable from an affiliated company	*27(g)*	**–**	45,854
		633,612	625,533

(a) Other receivables

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Amounts due from third parties	**4,823,169**	4,841,912
Less: ECL allowance	**(4,607,620)**	(4,606,842)
	215,549	235,070

Other receivables are all due from third parties and denominated in Renminbi. ECL allowance includes full amounts of ECL allowance in aggregate of approximately RMB4,074,300,000 *(As at 31st December, 2025: approximately RMB4,074,300,000)* provided for the loss of the unauthorised pledged short-term deposits of the Group for banking facilities granted to and advances to some third parties.

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

21. ACCOUNTS PAYABLE

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Accounts payable	**423,689**	436,552
Accounts payable to affiliated companies *(Note 27(h))*	**14,573**	11,043
	438,262	447,595

21. ACCOUNTS PAYABLE (Cont'd)

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

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Less than six months	**339,083**	367,038
Six months to one year	**31,372**	3,575
Above one year but less than two years	**7,213**	18,928
Two years or above	**46,021**	47,011
	423,689	436,552

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

22. OTHER CURRENT LIABILITIES

		(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	Note	***RMB'000***	*RMB'000*
Contract liabilities		**36,068**	33,679
Other payables and accrued expenses		**450,835**	441,552
Other taxes payable		**5,282**	20,313
Deferred government grants	*22(a)*	**72,055**	74,130
Lease liabilities	*22(b)*	**107,046**	113,892
Provision for warranty	*22(c)*	**3,376**	–
Amounts due to affiliated companies	*27(i)*	**33,279**	18,918
		707,941	702,484
Less: non-current portion		**(159,719)**	(165,450)
Current portion		**548,222**	537,034

(a) Deferred government grants

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Government grants to be recognised as income		
– within one year	**4,879**	4,880
– over one year	**67,176**	69,250
	72,055	74,130

22. OTHER CURRENT LIABILITIES (Cont'd)

(b) Lease liabilities

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Total minimum lease payments		
– due within the first year	**16,781**	18,512
– due over the first to the second years	**17,082**	24,039
– due over the second to the fifth years	**43,759**	44,014
– due after the fifth years	**44,809**	44,809
	122,431	131,374
Less: future finance charges on lease liabilities	**(15,385)**	(17,482)
Present value of lease liabilities	**107,046**	113,892
Present value of minimum lease payments		
– due within the first year	**16,218**	17,692
– due in the first to the second years	**16,459**	22,994
– due in the second to the fifth years	**38,899**	38,411
– due after the fifth years	**35,470**	34,795
	107,046	113,892
Less: portion due within one year included under current liabilities	**(16,218)**	(17,692)
Portion due after one year included under non-current liabilities	**90,828**	96,200

As at 30th June, 2026 and 31st December, 2025, all lease liabilities are effectively secured by the related underlying assets as the right-of-use assets would be reverted to the lessors in the event of default of repayment by the Group.

(c) Provision for warranty

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Estimated warranty cost on non-BMW vehicles covering		
– within one year	**1,661**	–
– over one year	**1,715**	–
	3,376	–

23. SHORT-TERM BANK BORROWINGS

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Secured short-term bank borrowings *(Note 17)*	**100,000**	–
Unsecured short-term bank borrowings	**24,200**	–
	124,200	–

The short-term bank borrowings were interest-bearing at rates from 2.50% per annum to 2.80% per annum and repayable from 30th July, 2026 to 4th March, 2027.

24. PROVISION FOR LOSS

Provision for loss as at 30th June, 2026 and 31st December, 2025 represents the estimated loss in respect of the legal claim by one remaining bank for unauthorised guarantees granted in 2019 by Shenyang JinBei Automotive Industry Holdings Co., Ltd., a subsidiary of the Group, for bank borrowings of Huachen Automotive Group Holdings Company Limited.

As the Group has placed restricted deposit of approximately RMB276,732,000 pursuant to the order of the local court, the management expected that the estimated loss in respect of the bank's claim would not be higher than this amount.

25. SHARE CAPITAL

	(Unaudited) As at 30th June, 2026		(Audited) As at 31st December, 2025	
	Number of shares	**Amount**	Number of shares	Amount
	'000	***US$'000***	*'000*	*US$'000*
Authorised:				
Ordinary shares at par value of US$0.01 each	**8,000,000**	**80,000**	8,000,000	80,000

	(Unaudited) As at 30th June, 2026		(Audited) As at 31st December, 2025	
	Number of shares	**Amount**	Number of shares	Amount
	'000	***RMB'000***	*'000*	*RMB'000*
Issued and fully paid:				
Ordinary shares at par value of US$0.01 each				
At beginning of period/year and reporting date	**5,045,269**	**397,176**	5,045,269	397,176

The Company had no outstanding share option at both 30th June, 2026 and 31st December, 2025.

26. RESERVES

(a) Retained earnings

The Group's retained earnings included an amount of approximately RMB1,738,041,000 *(As at 31st December, 2025: approximately RMB1,738,040,000)* reserved by the subsidiaries in the PRC in accordance with the relevant PRC regulations. The PRC laws and regulations require companies registered in the PRC to allocate 10% of their profits after tax (determined under PRC GAAP) to their respective statutory reserves. No allocation to the statutory reserves is required after the balance of such reserve reaches 50% of the registered capital of the respective companies. The statutory surplus reserves shall only be used to make up losses of the company, to expand the company's production operations, or to increase the capital of the company.

(b) Capital reserve

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

(c) Hedging reserve

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

27. CONNECTED AND RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

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

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Transactions with affiliated companies of Shenyang Automobile:		
– Sales of goods	**29,524**	15,330
– Purchases of goods	**2,212**	284
– Purchases of services	**7,771**	6,455
– Purchases of property, plant and equipment	**–**	48,146
– Lease payments *(Note)*	**463**	391
Interest payment to a non-controlling interest of a subsidiary *(Note)*	**–**	2,287

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

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

	(Unaudited) For the six months ended 30th June,	
	2026	2025
	RMB'000	*RMB'000*
Transactions with associates:		
– Sales of goods	**6,325**	6,312
– Purchases of goods	**41,461**	18,097
– Lease payments	**1,816**	–
– Purchase of property, plant and equipment	**12,064**	–
Transactions with a joint venture:		
– Purchases of goods	**342**	–
– Comprehensive service fee	**94**	–

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

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

(c) As at 30th June, 2026, the Group's accounts receivable from affiliated companies consisted of the following:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Accounts receivable from affiliated companies:		
– Affiliated companies of Shenyang Automobile	**11,360**	11,360
– Associates	**2,619**	2,866
	13,979	14,226
Less: ECL allowance	**(11,384)**	(11,395)
	2,595	2,831

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

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

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

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Less than six months	**2,665**	2,912
Above two years but less than five years	**706**	706
Five years or above	**10,608**	10,608
	13,979	14,226

(d) As at 30th June, 2026, the Group's notes receivable from affiliated companies arising from trading activities consisted of the following:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Notes receivable from associates	**5,280**	3,383

All notes receivable from affiliated companies are guaranteed by established banks in the PRC and have maturities of six months or less from 30th June, 2026 *(As at 31st December, 2025: same)*.

For the same reason as stated in note 19, the notes receivable from affiliated companies are classified as financial assets at FVOCI (recycling) and stated at fair value. The fair value is within level 2 of the fair value hierarchy.

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

(e) As at 30th June, 2026, the amounts due from affiliated companies consisted of:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Amounts due from affiliated companies:		
– Associates	**945,740**	945,563
– Xinhua Investment Holdings Limited ("**Xinhua Investment**")	**364,924**	364,924
– Affiliated companies of Shenyang Automobile	**4,907**	4,907
– Non-controlling interests of a subsidiary	**37,750**	37,869
	1,353,321	1,353,263
Less: ECL allowance	**(1,320,728)**	(1,321,085)
	32,593	32,178

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

As at 30th June, 2026, the ECL allowance were provided for the following affiliated companies:

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
ECL allowance of amounts due from affiliated companies:		
– Associates	**944,736**	945,093
– Xinhua Investment	**364,924**	364,924
– Affiliated companies of Shenyang Automobile	**4,494**	4,494
– Non-controlling interests of a subsidiary	**6,574**	6,574
	1,320,728	1,321,085

(f) As at 30th June, 2026, the Group had made prepayments to affiliated companies for the purchases of raw materials.

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Prepayments to:		
– Associates	**9,249**	21,306
– A joint venture	**99**	99
– An affiliated company of Shenyang Automobile	**125**	–
	9,473	21,405

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

(g) As at 31st December, 2025, the Group had dividends receivable of RMB45,854,000 from an associate, which were received in the six months ended 30th June, 2026.

(h) As at 30th June, 2026, accounts payable to affiliated companies arising from trading activities consisted of the following:

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Accounts payable to affiliated companies:		
– Associates	**6,175**	2,486
– A joint venture	**387**	337
– Affiliated companies of Shenyang Automobile	**8,011**	8,220
	14,573	11,043

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

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Less than six months	**4,861**	4,779
Six months to one year	**3,910**	462
Two years or above	**5,802**	5,802
	14,573	11,043

(i) As at 30th June, 2026, amounts due to affiliated companies consisted of the following:

	(Unaudited) As at 30th June, 2026 *RMB'000*	(Audited) As at 31st December, 2025 *RMB'000*
Amounts due to affiliated companies:		
– An associate	**2,090**	172
– Affiliated companies of Shenyang Automobile	**28,926**	16,166
– Non-controlling interest of a subsidiary	**2,263**	2,580
	33,279	18,918

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

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

(j) Transactions and balances with other state-owned enterprises in the PRC

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

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

28. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The Group's financial assets and liabilities measured, on a recurring basis, at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	(Unaudited) As at 30th June, 2026			(Audited) As at 31st December, 2025		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Financial assets at FVOCI (non-recycling)						
– Listed equity investment	**1,698**	**–**	**–**	1,766	–	–
Financial assets at FVOCI (recycling)						
– Notes receivable	**–**	**159,224**	**–**	–	164,243	–
	1,698	**159,224**	**–**	1,766	164,243	–

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 2 is unchanged compared to the previous reporting periods. Future cash flows are estimated based on discount rates which are referenced to rates currently available for instruments issued by commercial banks with similar terms, observable forward exchange rates, credit risk and risk free rate corresponding to the maturity of the structured deposits.

There have been no transfers between Levels 1, 2 and 3 or issue or settlement of financial instruments of Levels 1, 2 and 3 during the six months ended 30th June, 2026 and the year ended 31st December, 2025.

The carrying amounts of the Group's financial assets measured at fair values were not material to the condensed consolidated interim financial statements as at 30th June, 2026 and 31st December, 2025.

29. COMMITMENTS

(a) Capital commitments

	(Unaudited) As at 30th June, 2026	(Audited) As at 31st December, 2025
	RMB'000	*RMB'000*
Contracted but not provided for:		
– Acquisition of property, plant and machinery and intangible assets	**48,134**	119,256

(b) Lease commitments

As at 30th June, 2026, the Group had future aggregate minimum lease payments of approximately RMB1,321,000 *(As at 31st December, 2025: nil)* which were payable within one year under non-cancellable short-term operating leases in respect of leased properties.

30. CONTINGENT LIABILITIES

The Group has entered into a guarantee agreement with a bank to provide financing facilities of up to RMB100,000,000 for its vehicle dealers. These facilities finance up to 70% of the costs of purchases of the non-BMW vehicles from the Group. As at 30th June, 2026, approximately RMB6,937,000 *(As at 31st December, 2025: approximately RMB9,897,000)* of the facilities were utilised and outstanding by these vehicle dealers.

MANAGEMENT'S DISCUSSION & ANALYSIS

Business Discussion and Analysis

The unaudited consolidated revenue of the Group (which comprised primarily net sales derived from the businesses operated by our major operating subsidiaries including JSA, Ningbo Yuming, Mianyang Ruian and BBAFC) for the six months ended 30th June, 2026 was RMB675.8 million, representing an increase of 20.3% from RMB561.7 million generated during the same period in 2025. The main reason was the increase of sale of JSA's minibuses and multipurpose vehicles. In the first six months of 2026, JSA achieved sale of 2,815 units of minibuses and multipurpose vehicles as compared to 277 units sold in the same period of 2025. The increase in sale of minibuses and multipurpose vehicles was partially offset by the decrease in revenue from auto financing due to increasing market competition.

Unaudited cost of sales increased by 29.9% from RMB468.2 million for the first six months of 2025 to RMB608.1 million for the same period in 2026. The unaudited gross profit of the Group decreased by 27.6% from RMB93.5 million for the first six months of 2025 to RMB67.7 million for the same period in 2026. As a result of the above changes, the unaudited gross profit margin of the Group reduced to 10.0% for the first half of 2026 compared to 16.6% for the same period last year. The decline in gross profit margin was partly driven by higher raw material costs. In addition, the total gross profit margin of the Group was further impacted by the increased proportion of sales from JSA.

Unaudited other income and other gains, net increased by 42.6% from RMB14.8 million for the first six months of 2025 to RMB21.1 million for the same period in 2026. The increase was mainly attributable to the recovery of certain assets that had previously been written off and lower loss on disposal of property, plant and equipment in the period.

Unaudited interest income decreased by 73.0% from RMB78.2 million for the first six months of 2025 to RMB21.1 million for the same period in 2026. The decrease was attributable to a decrease in the average balances of short-term bank deposits and cash and cash equivalents over the first six months of 2026.

Unaudited selling expenses decreased by 52.7% from RMB33.4 million for the first half of 2025 to RMB15.8 million for the same period in 2026, as a result of cost control implemented in the period.

Unaudited general and administrative expenses decreased by 22.8% from RMB279.9 million for the first six months of 2025 to RMB216.0 million for the same period in 2026. The decrease was due to an impairment loss on moulds recognised in the first six months of 2025 and the result of implementing cost control.

Unaudited net ECL allowance on loans and receivables for the first half of 2026 was RMB23.3 million, an increase of 37.8 times from RMB0.6 million in the same period of 2025. While ECL charges declined in the first half of 2026, the same period of 2025 included substantial write backs of ECL allowance arising from settlements by affiliated companies, resulting in a much smaller net ECL allowance.

Unaudited finance costs increased by 9.4% from RMB3.2 million for the first six months of 2025 to RMB3.5 million for the same period in 2026, primarily due to JSA having bank borrowings during the first six months of 2026.

The Group's unaudited share of results of associates, which included the recognition of BBA's contribution as the Group's associate, decreased by 52.5% from RMB2,048.5 million for the first half of 2025 to RMB974.0 million for the same period in 2026. The decrease was mainly a result of the drop in performance of BBA as a result of intense market competition.

BBA achieved sales of 212,782 BMW vehicles in the first six months of 2026, a decrease of 18.8% as compared to 262,005 units sold in the same period of 2025. The sales volumes of BBA by models are listed in the table below:

BBA BMW Models	**1H2026 (Units)**	1H2025 (Units)	Change
1-series	**–**	2	(100.0%)
2-series	**2,701**	5,031	(46.3%)
3-series	**69,856**	85,486	(18.3%)
5-series	**44,361**	61,332	(27.7%)
X1	**28,910**	32,646	(11.4%)
X2	**–**	2	(100.0%)
X3	**37,600**	38,474	(2.3%)
X5	**29,354**	39,032	(24.8%)
Total	**212,782**	262,005	(18.8%)
Of which battery electric vehicles ("**BEVs**")	**14,442**	28,909	(50.0%)

The Group's unaudited share of loss of a joint venture, Yuxin, increased by 4.4 times from RMB11.6 million for the first six months of 2025 to RMB62.0 million for the same period of 2026, primarily because Yuxin was only established in April 2025 and was still in its initial establishment phase during the first half of 2025, when no substantial costs relating to its establishment, research and depreciation, etc. were incurred.

The Group's unaudited profit before income tax expense decreased by 60.0% from RMB1,906.3 million for the first half of 2025 to RMB763.2 million for the same period in 2026. Unaudited income tax expense was RMB2.6 million for the first half of 2026 as compared to that of RMB252.0 million for the first half of 2025. The significant decrease was mainly due to the withholding tax paid on dividends distributed by subsidiaries during the first half of 2025, whereas no such withholding tax was incurred during the same period of 2026.

As a result of the above, the Group recorded an unaudited profit attributable to equity holders of the Company of RMB778.5 million for the first half of 2026, compared to RMB1,701.4 million for the same period in 2025. Unaudited basic earnings per share for the six months ended 30th June, 2026 amounted to RMB0.15430 compared to RMB0.33723 for the same period in 2025.

Prospects

China's economy maintained steady growth in the first half of 2026 amid mounting domestic and external headwinds. Data from the National Bureau of Statistics shows the country's GDP rose 4.7% year-on-year to RMB69.57 trillion over the period. China's GDP grew by 4.3% year-on-year in the second quarter of 2026, representing a 0.9% quarter-on-quarter expansion versus the first quarter. The incremental GDP value hit RMB3.6 trillion, the highest figure recorded for the same half-year window in five years. Overall, China's economy demonstrated robust resilience and adaptability amid multiple challenges, featuring stability, endurance, innovation and structural optimisation.

Data released by the China Association of Automobile Manufacturers reveals that total domestic vehicle sales slipped 4.1% year-on-year to 15.02 million units in the first six months of 2026. Passenger vehicle sales stood at 12.72 million units, a 6% year-on-year decline. New energy vehicle ("**NEV**") sales reached 7.45 million units, up 7.3% year-on-year, with NEVs accounting for 49.6% of all new vehicle retail sales. Automobile exports maintained strong upward momentum, hitting 5.10 million units in the first half of 2026, equivalent to a 65.3% year-on-year surge.

Against a backdrop of widespread external uncertainties and fierce market competition, BBA delivered solid operating results in the first half of 2026, reaffirming its long-term development commitment to the Chinese market. Through close coordination with other BMW Group affiliates and dedicated efforts from internal teams, BBA consistently met customer demand with premium vehicles that embody the brand's core philosophy of "Sheer Driving Pleasure". BBA is also advancing its "local for local" strategy by continuously upgrading and expanding its domestic supplier network across China.

With a clear strategic focus on the BEV segment, BBA is collaborating with the BMW Group to accelerate the rollout of Neue Klasse – BMW's all-new proprietary technology platform for next-generation vehicles, which will enter local mass production in the second half of 2026. The first domestically built Neue Klasse model, the long-wheelbase BMW iX3, is fully ready for mass production at the Lydia Plant within BBA's Shenyang Production Base. The Neue Klasse platform will empower BMW to redefine global benchmarks for automotive digitalisation, technological innovation and design language.

To mark the Year of the Horse, BBA launched exclusive Horse Edition special trims for the BMW 3 Series, X3, 5 Series and X5 model lines. In the first half of 2026, BBA celebrated the rolling of its 7 millionth vehicle off the assembly line, a special Horse Edition BMW 3 Series.

JSA will accelerate prototype trial production and market launch of new vehicles, pushing forward mass production and rollout of automatic-transmission Haise King, compressed natural gas ("**CNG**") commercial variants and customised overseas models. It will conduct in-depth discussions with Geely to explore innovative long-term cooperation frameworks. The company will also speed up the unmanned logistics vehicle project, completing prototype manufacturing and performance verification for low-speed autonomous delivery vehicles. Simultaneously, JSA will press ahead with smart manufacturing and digital transformation across its factories, leveraging digital and intelligent technologies to upgrade production lines and realise full digitalised management of manufacturing operations. JSA will keep expanding domestic and overseas sales channels to strengthen market presence. It will prioritise stable product supply in Egypt and smooth delivery of the KD (Knocked Down) plant project, while targeting South American regions including Bolivia as its next key breakthrough market. JSA will continuously strengthen order fulfilment capacity and tap incremental sales potential, ensuring reliable delivery of all other overseas orders.

BBAFC, our captive automotive finance subsidiary operating in China, faces severe industry headwinds as commercial banks step up their presence in auto financing: competition for high-quality prime borrowers has intensified, industry-wide price wars have compressed profit margins, and the company suffers an inherent capital disadvantage compared with banking institutions. To mitigate these pressures, BBAFC is developing new business initiatives to gradually restore operational performance to normal levels. Meanwhile, it is strengthening its comprehensive risk management system to better serve and regulate higher-risk customer groups.

Mianyang Ruian's profitability has faced substantial downward pressure. Sharp declines in domestic complete vehicle sales have translated into shrinking order volumes from core OEM clients. Additionally, vehicle manufacturers have universally enforced strict cost-reduction mandates, while aggressive low-price competition from rival suppliers has eroded the company's market share and gross profit margins, creating significant obstacles to achieving full-year performance targets. Building on its stable base of existing customers, Mianyang Ruian will further prioritise business development with OEMs specialising in new energy hybrid and extended-range electric vehicles. It will conduct proactive client visits and commercial negotiations with NEV manufacturers and their supporting engine suppliers to secure participation in new vehicle development projects.

For the second half of 2026, Ningbo Yuming will deepen cooperation with existing clients while expanding its roster of new customers and accelerating the mass production and commercialization of newly developed products, targeting a minimum of 20 newly awarded projects for the full calendar year. Ningbo Yuming will maintain elevated R&D investment, push forward construction of its postdoctoral research workstation, and submit an application for national-level recognition as a "Specialized, Refined, Unique & Innovative Little Giant" enterprise. It will also advance lean manufacturing transformation and rigorous cost control to hit full-year production targets and drive high-quality and sustainable business growth.

Yuxin operates a manufacturing base in Dadong District, Shenyang, established as a joint venture with TCL Hengshi Tianrui Investment (Ningbo) Co., Ltd. The facility completed and passed audits for IATF 16949, TiSax, ISO 14001 and ISO 45001 certifications in the first half of 2026. In terms of project delivery, the plant fully supports customers through the entire mass-production development cycle of awarded projects, with a portfolio of smart display and intelligent cockpit products set for mass shipment from the Shenyang factory in the second half of 2026. Five dedicated production lines have been installed and fully debugged at the site, with capacity expansion planned for the second half of the year. Yuxin also intends to commence construction of a high-spec automotive-grade laboratory within the Shenyang plant in the second half of 2026 to satisfy end-to-end product testing and validation needs.

Liquidity and Financial Resources

As at 30th June, 2026, the Group had RMB4,444.9 million in cash and cash equivalents *(As at 31st December, 2025: RMB4,500.0 million)* and RMB2,147.7 million in short-term bank deposits *(As at 31st December, 2025: RMB709.0 million)*.

Among the short-term bank deposits, RMB1,637.9 million was time deposits *(As at 31st December, 2025: RMB253.0 million)* and RMB509.8 million was pledged and restricted short-term bank deposits as at 30th June, 2026 *(As at 31st December, 2025: RMB456.0 million)*.

As at 30th June, 2026, the Group had accounts payable in the amount of RMB438.3 million *(As at 31st December, 2025: RMB447.6 million)*. As at 30th June, 2026, the Group had notes payable in the amount of RMB292.4 million *(As at 31st December, 2025: RMB209.9 million)*.

As at 30th June, 2026, the Group had outstanding short-term bank borrowings of RMB124.2 million *(As at 31st December, 2025: nil)*. As at 30th June, 2026, the Group did not have long-term bank borrowings due over one year *(As at 31st December, 2025: nil)*.

All short-term bank borrowings as at 30th June, 2026 were due within one year, being repayable from 30th July, 2026 to 4th March, 2027 and interest-bearing at rates ranging from 2.50% to 2.80% per annum, and were denominated in Renminbi.

With the aim of improving its liquidity, the Group regularly monitors its accounts receivable turnover and inventory turnover. For the six months ended 30th June, 2026, the Group's accounts receivable turnover and inventory turnover were 118 days *(Year ended 31st December, 2025: 124 days)* and 172 days *(Year ended 31st December, 2025: 141 days)*, respectively.

Capital Structure and Funding Policies

As at 30th June, 2026, the Group's total assets were approximately RMB23,350.3 million *(As at 31st December, 2025: approximately RMB23,580.2 million)*, which was funded by the following: (a) share capital of RMB397.2 million *(As at 31st December, 2025: RMB397.2 million)*, (b) reserves of RMB20,213.8 million *(As at 31st December, 2025: RMB20,629.3 million)*, (c) total liabilities of RMB1,843.9 million *(As at 31st December, 2025: RMB1,640.2 million)* and (d) contribution from non-controlling interests of RMB895.5 million *(As at 31st December, 2025: RMB913.4 million)*.

As at 30th June, 2026, 80.6% *(As at 31st December, 2025: 80.4%)* of the Group's cash and cash equivalents (comprising cash on hand, bank balances and time deposits within 3 months of maturity when acquired) were denominated in Renminbi, whereas 19.4% *(As at 31st December, 2025: 19.6%)* were denominated in other currencies. Apart from the bank borrowings mentioned above, as at 30th June, 2026, the Group had no committed banking facilities *(As at 31st December, 2025: RMB50.0 million)*.

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

Capital Expenditures and Commitments

For the first six months of 2026, the Group incurred capital expenditures of RMB149.8 million *(Six months ended 30th June, 2025: RMB1,248.5 million)* mainly for acquisition of both owned and right-of-use assets of tools and moulds, machinery and equipment, construction-in-progress, and specialised software.

As at 30th June, 2026, the Group's contracted capital commitments amounted to RMB48.1 million related to the capital expenditures in respect of acquisition of plant and machinery *(As at 31st December, 2025: RMB119.3 million mainly related to acquisition of plant and machinery and intangible assets)*.

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

Existing Investments

BBA

As at 30th June, 2026, the Group held 25% shareholding in BBA, with an investment cost of RMB344 million. BBA is principally engaged in the manufacture and sale of BMW vehicles and components in the PRC. The carrying value of the Group's investment in BBA as at 30th June, 2026 was RMB9,748.9 million, accounting for approximately 41.8% of the Group's total assets. During the first half of 2026, the Group's share of profit from BBA was RMB968.5 million, representing a year-on-year decrease of approximately 52.8%. The Group has received dividend of RMB1,270.4 million from BBA during the first half of 2026. For the Company's investment strategy in respect of BBA and its performance for the six months ended 30th June, 2026, please refer to the sections headed "Prospects" and "Business Discussion and Analysis" of this report.

Save as aforesaid, there were no significant investments held, nor were there any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30th June, 2026.

New Business and New Products

The Company is devoted to capturing valuable investment opportunities in order to enhance the Company's profitability and create value for its shareholders. The Company is in the course of studying and exploring various investment opportunities, including but not limited to cooperation with BMW with respect to supply of components for BMW vehicles, possible expansion into NEV manufacturing, components supply and digitalisation business, spanning across the entire value chain of the automotive industry.

In the second half of 2026, BBA will usher in a brand-new development era driven by the Neue Klasse platform. The first domestically manufactured Neue Klasse model from BBA's Lydia Plant – the long-wheelbase BMW iX3 – held its global debut at the Beijing Auto Show and is scheduled for market launch in the second half of 2026. Pre-sales for the long-wheelbase BMW iX3 will kick off at the Chengdu Motor Show, while full-scale market communications for the long-wheelbase BMW i3 will also debut at the same event. The long-wheelbase BMW iX3 is undergoing comprehensive road testing across China, including validation of its deeply localised intelligent driving assistance system co-developed by BMW and Momenta. The RMB10 billion Sixth-Generation High-Voltage Battery Project is advancing in line with schedule. Aligned with BMW's iFactory smart manufacturing strategy, BBA's Shenyang Production Base leverages data analytics, artificial intelligence and virtual simulation technologies to boost production efficiency and product quality, whilst cutting energy consumption and carbon emissions. Separately, the geothermal energy project launched on 31st October, 2025 supplies heating to the Powertrain Plant and Sixth-Generation High-Voltage Battery Centre, and is projected to reduce annual CO_2 emissions by 18,000 tons. Upholding the principle of "open technology", BBA remains fully committed to the Chinese market and will continue to roll out an expanded lineup of new BMW models over the coming years, covering both internal combustion engine vehicles and pure battery electric vehicles.

JSA expanded its product portfolio. The CNG variant of Haise King entered mass production and was launched to market in March 2026. The company deepened cooperation with Geely Farizon to jointly roll out differentiated exterior design solutions for Jinbei vehicles. In April 2026, an audit team from the Ministry of Industry and Information Technology ("**MIIT**") conducted an on-site inspection for Jinbei Xuansheng Plant's application for production access of 200,000 new energy passenger vehicle capacity, which passed the review. The official capacity approval was released in the 407th batch of MIIT announcements in June 2026. Development of fuel-powered models including right-hand-drive Haise, right-hand-drive Grand Haise and automatic-transmission Haise King proceeded as scheduled. In terms of sales network, JSA reinstated 110 domestic dealers and 145 service stations, with 18 branded Jinbei retail showrooms newly completed. Overseas business maintained steady order inflows in Egypt, where construction of the KD assembly plant advanced on schedule. Newly developed overseas markets such as Bolivia also secured successive vehicle orders.

As the Group's dedicated automotive finance platform in China, BBAFC is ramping up strategic investment in the NEV sector, which it views as a high-growth business frontier and a core channel to advance sustainable green development initiatives. Nevertheless, competition within the automotive industry has intensified dramatically: brutal price wars among mainstream brands have squeezed profit margins across the entire auto finance industry, triggering market concerns over sliding vehicle sales, climbing credit risks and shrinking profitability. To adapt to this shifting industry landscape, BBAFC maintains agile operations by capitalising on promising market trends whilst rolling out targeted countermeasures to offset industry headwinds. Despite widespread challenges, BBAFC is exhausting all feasible measures to restore its business to healthy operating performance. In parallel, BBAFC continues to lift operational efficiency by streamlining its organisational structure under its digital transformation strategy and optimising its end-to-end cost structure.

During the first half of 2026, Ningbo Yuming accelerated its strategic transition toward lightweight NEV components, securing 14 new product development projects over the period. These include sunshade guide rails for revised Seres M8, Li Auto L9 LIVIS, and Xpeng G02 new SUV models, among others. In terms of new customer development, the company obtained a formal supply award for exterior trim parts for a Japanese-brand vehicle programme from Foshan Faltec. Progress was also made in overseas market expansion: sunroof guide rails for Kia Seltos produced for Kia India have entered mass shipment, expanding the range of exported products to six categories. Overseas revenue rose approximately 12.2% year-on-year. Partnerships with BYD have continued to deepen, with revenue generated from lightweight new energy components accounting for approximately 20% of total revenue, marking tangible early results from the company's product mix restructuring drive.

In the first half of 2026, amid multiple industry pressures including structural adjustments across the new energy sector and sustained downward pressure on product market prices, Mianyang Ruian maintained stable overall operating revenue on the back of steady growth in complete vehicle shipments. Sustained sales expansion from its two core clients SAIC and Geely effectively offset temporary order declines from customers such as Li Auto. Mianyang Ruian concurrently advances two core priorities: deep value mining within its existing customer base and exploration of entirely new market segments. On new product development, over 30 new product project quotations were submitted between January and June 2026. The Xinchen Power B15HT project has been awarded with an anticipated annual demand of 100,000 units next year to form a key incremental revenue pipeline. The FAW UB10 project is scheduled to launch mass production in October 2026, delivering additional sales support for the second half of 2026 and 2027. Small-batch deliveries have commenced for the original Quanchai F28T project.

Yuxin delivered landmark progress on rear-seat smart control screen products in the first half of 2026. R&D has been initiated on flagship specifications for premium passenger vehicles and entry-level base specifications for mass-market models, winning multiple new vehicle programme awards in this product line. The company maintained continuous investment in mid-range intelligent cockpit hardware built on the MediaTek (MTK) platform and supporting software development, gaining recognition from numerous clients and establishing formal collaboration covering software development and domain controller platforms. In the automotive display sector, Yuxin leverages TCL's superior MiniLED product and technology advantages to elevate the in-cabin display and interactive experience for vehicle occupants.

Employees, Remuneration Policy and Training Programmes

The Group employed approximately 2,049 employees as at 30th June, 2026 *(As at 30th June, 2025: 1,890)*. Employee costs amounted to RMB152.4 million for the six months ended 30th June, 2026 *(Six months ended 30th June, 2025: RMB145.6 million)*. The Group will endeavour to ensure that the salary levels of its employees are in line with industry practices and prevailing market conditions, and that employees' remuneration is based on performance.

In order to improve the overall quality and professional technical level of all employees, the Group provides online or offline trainings on, including but not limited to, professional skills, quality enhancements, business and product knowledge, occupational ethics and safety, environmental, social and governance issues, anti-corruption, rules and regulations, management skills, leadership and teamwork cooperation to its directors/employees from time to time. Ningbo Yuming and Mianyang Ruian have formulated and implemented administrative measures for education and training, and have established a set of training systems and workflows including new employee induction training, special post personnel training, management training, professional technical training and quality training. The course contents are extensive, covering basic/middle-level management, new product development, quality management, financial management, lean production, teamwork, and professionalism. Training demand research are conducted and training plans are formulated on an annual basis. BBAFC has specifically arranged compliance training, business training, new hire training, paired with online courses, meeting the learning needs of the employees. It has even developed its own online training platform, allowing its employees to browse training and financial product knowledge materials, reducing the travel needs for sales and training teams. BBAFC has also developed a succession plan which lays a solid foundation of talent for its long-term development.

Charge on Assets

As at 30th June, 2026, out of the Group's short-term bank borrowings of RMB124.2 million *(As at 31st December, 2025: nil)*, RMB100.0 million were secured by short-term bank deposits of RMB30.0 million.

In addition, as at 30th June, 2026, the Group pledged short-term bank deposits in an aggregate amount of RMB226.5 million *(As at 31st December, 2025: RMB179.2 million)*, and pledged bank guaranteed notes receivable from third parties and related parties of approximately RMB88.8 million *(As at 31st December, 2025: approximately RMB70.9 million)* to secure the issue of bank guaranteed notes.

As at 30th June, 2026, short-term deposits of approximately RMB276,732,000 and RMB6,591,000 *(As at 31st December, 2025, approximately RMB276,732,000 and nil)* were restricted by the order of the PRC court due to a lawsuit of unauthorised guarantees events, and other insignificant civil claims, respectively.

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

Future Plans for Material Investments or Additions of Capital Assets

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

Gearing Ratio

As at 30th June, 2026, the gearing ratio, computed by dividing total liabilities by total equity attributable to equity holders of the Company, was approximately 0.09 *(As at 31st December, 2025: approximately 0.08)*. The increase in the gearing ratio was primarily due to an increase in current liabilities mainly resulted from new inception of short-term bank borrowings and increase in notes payable at 30th June, 2026.

Foreign Exchange Risks

The Group's substantial transactions during the period were denominated in Renminbi. The Group considers that exchange rate fluctuations do not have a significant effect on the overall financial performance of the Group. To reduce the risk in exchange rate fluctuation in dividend distribution and future potential investments that may require Hong Kong Dollars, the Company has maintained certain amount of cash and cash equivalents in Hong Kong Dollars. The Group will continue to monitor transactions and monetary assets and liabilities denominated in foreign currencies to minimise foreign exchange risks. There were no outstanding hedging transactions as at 30th June, 2026 *(As at 31st December, 2025: nil)*.

Contingent Liabilities

The Group has entered into a guarantee agreement with a bank to provide financing facilities of up to RMB100,000,000 for its vehicle dealers. These facilities finance up to 70% of the costs of purchases of the non-BMW vehicles from the Group. As at 30th June, 2026, approximately RMB6,937,000 *(As at 31st December, 2025: approximately RMB9,897,000)* of the facilities were utilised and outstanding by these vehicle dealers.

DIVIDENDS

The Board is pleased to declare 2026 interim dividend of HK$0.5 (the "**Dividend**") per ordinary share of the Company to shareholders whose names appear on the register of members of the Company as at Wednesday, 9th September, 2026 *(2025: HK$0.8)*. The Dividend is expected to be paid on Thursday, 24th September, 2026.

CLOSURE OF REGISTER OF MEMBERS

To determine entitlements to the Dividend, the register of members of the Company will be closed from Tuesday, 8th September, 2026 to Wednesday, 9th September, 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date for the Dividend is Wednesday, 9th September, 2026. In order to qualify for the Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m., Hong Kong time, on Monday, 7th September, 2026.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information of the directors of the Company since the date of the 2025 annual report up to present is set out below:

- Dr. Lam Kit Lan, Cynthia resigned as an independent non-executive director of the Company and a member of the nomination committee of the Board with effect from 30th June, 2026.

- Mr. Dong Yang is an independent non-executive director of Changjiu Holdings Limited, a company listed on the main board of the SEHK (stock code: 6959).

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

As at 30th June, 2026, so far as is known to the directors or chief executives of the Company, the following persons other than a director or chief executive of the Company had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"):

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

Notes:

(1) The percentage of shareholding is calculated on the basis of 5,045,269,388 shares in issue of the Company as at 30th June, 2026.

(2) According to the disclosure of interest notice filed by Shenyang Sanshi on 14th June, 2024, the 1,512,875,802 shares in long position were held in the capacity as beneficial owner.

(3) According to the disclosure of interest notice filed by Liaoning Financial on 26th November, 2025, Shenyang Sanshi became a direct wholly-owned subsidiary of Shenyang Automobile. Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership and which is in turn indirectly owned as to 48.86% by Liaoning Financial. Each of Liaoning Financial, Shenyang Industry Partnership and Shenyang Automobile are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 shares in long position were held by each of Liaoning Financial, Shenyang Industry Partnership and Shenyang Automobile in the capacity as corporate interest.

(4) According to the disclosure of interest notices filed by Shenyang Shengjing and Shenyang Metro on 26th November, 2025, Shenyang Automobile is owned as to 89.75% by Shenyang Industry Partnership, which is in turn owned as to 0.23% by Shenyang Cairui Investment and indirectly owned as to 48.86% by Shenyang Metro. Shenyang Cairui Investment is indirectly owned as to 50% by Shenyang Shengjing. Each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment are therefore deemed to be interested in the interest of Shenyang Sanshi in the Company by virtue of the SFO. The 1,512,875,802 shares in long position were held by each of Shenyang Shengjing, Shenyang Metro and Shenyang Cairui Investment in the capacity as corporate interest.

(5) According to the disclosure of interest notice filed by LPTI on 9th July, 2020, LTI held direct interest in 600,000,000 shares and is owned as to 83.68% by LPTI. Therefore, LPTI is deemed to be interested in the interest of LTI in the Company by virtue of the SFO. The 600,000,000 shares in long position were held by LPTI in the capacity as corporate interest, and by LTI in the capacity as beneficial owner.

Save as disclosed herein, as at 30th June, 2026, there was no other person so far as is known to the directors or chief executives of the Company, other than a director or chief executive of the Company, as having an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

As at 30th June, 2026, none of the directors, chief executives of the Company or their respective close associates had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to be notified to the Company and the SEHK.

SHARE OPTIONS

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

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

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

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

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

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

As at 30th June, 2026, there was no outstanding share option under the Share Option Scheme.

For the period commencing from the Scheme Effective Date to 30th June, 2026:

(a) no share options under the Share Option Scheme have been granted, exercised, lapsed or cancelled;

(b) no share options under the Share Option Scheme have been granted to any associates of the directors, chief executive or substantial shareholders of the Company;

(c) there is no participant with options granted in excess of the Individual Limit; and

(d) no share options under the Share Option Scheme have been granted to any supplier of goods or services to any member of the Group or any Invested Entity.

As no share options have been granted by the Company under the Share Option Scheme from the Scheme Effective Date up to 30th June, 2026, no expenses were recognised by the Group for the period under review *(Six months ended 30th June, 2025: nil)*.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2026.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving and maintaining the highest standards of corporate governance consistent with the needs and requirements of the business and its shareholders, ensuring that its affairs are conducted in accordance with applicable laws and regulations and consistent with the "Corporate Governance Code" set out in Appendix C1 to the Listing Rules (the "**CG Code**"). The Group has considered the principles of good corporate governance set out in the CG Code, and has put in place corporate governance practices to meet the code provisions. Throughout the six months ended 30th June, 2026, the Group has complied with all code provisions set out in Part 2 of Appendix C1 to the Listing Rules except the following:

- Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the first half of 2026, Mr. Zhang Yue acted as both the chairman of the Board and the Company's chief executive officer. The Board believes that Mr. Zhang Yue is familiar with the Company's business operation, his performing the roles of both chairman of the Board and chief executive officer has the benefit of consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Company. In addition, the Board currently comprises three executive directors and three independent non-executive directors which reflects a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

- Code provision B.3.5 of the CG Code, which became effective on 1st July, 2025, requires issuers to appoint at least one director of a different gender to the nomination committee. Following the resignation of Dr. Lam Kit Lan, Cynthia as an independent non-executive director of the Company and a member of the nomination committee of the Board (the "**Nomination Committee**") with effect from 30th June, 2026, the Nomination Committee was composed of directors of a single gender as at 30th June, 2026. The Company is pleased to announce that Ms. Zhu Zheyu was appointed as an independent non-executive director of the Company and a member of the Nomination Committee with effect from 24th August, 2026. Details of the appointment were set out in the announcement of the Company dated 21st August, 2026. Following the appointment of Ms. Zhu, the Company has re-complied with code provision B.3.5 of the CG Code and the board diversity requirement under Rule 13.92 of the Listing Rules.

REVIEW OF FINANCIAL STATEMENTS

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30th June, 2026.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all directors, each director of the Company has confirmed that he/she has complied with the required standard set out in the Model Code during the six months ended 30th June, 2026.

IMPORTANT EVENTS AFFECTING THE GROUP THAT HAVE OCCURRED SINCE 30TH JUNE, 2026

To the knowledge of the directors of the Company, there is no other important event affecting the Group since 30th June, 2026 and up to the date of this report.

BOARD OF DIRECTORS

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

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

Hong Kong, 21st August, 2026