



MINTH GROUP LIMITED

敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 425



2025
INTERIM REPORT



CORE VALUES

Integrity

Trust

Teamwork

Drive Transformation



VISION

Create beauty in motion
with intelligence

MISSION

To make automobiles lighter,
smarter, and beautiful



CONTENTS

2	Corporate Information
4	Management Discussion and Analysis
50	Other Information
60	Report on Review of Condensed Consolidated Financial Statements
62	Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
64	Condensed Consolidated Statement of Financial Position
66	Condensed Consolidated Statement of Changes in Equity
68	Condensed Consolidated Statement of Cash Flows
70	Notes to the Condensed Consolidated Financial Statements

* Should there be any discrepancy between the English and Chinese versions, the English version shall prevail.

CORPORATE INFORMATION

THE BOARD

Executive directors

Wei Ching Lien (*Chairperson and
Chief Executive Officer*)

Ye Guo Qiang

Zhang Yuxia

William Chin (*appointed on 30 May 2025*)

Non-executive director

Chin Chien Ya

Independent non-executive directors

Mok Kwai Pui Bill

Tatsunobu Sako

Meng Li Qiu

Chan Pak Hung (*appointed on
30 May 2025*)

Hu Ting Wu (*appointed on 30 May 2025*)

Wang Ching (*retired on 30 May 2025*)

COMPANY SECRETARY

Yi Lei Li

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

GROUP HEADQUARTER

3/F, No. 19 Lane 146, Xinhua 2nd Road
Neihu District, Taipei City

Postal Code 114065

Website: www.minthgroup.com

REGIONAL HEADQUARTERS

Asia-Pacific

No. 1 Yazhong Road, Nanhu District
Jiaxing City, Zhejiang Province

Postal Code 314006

China

Tel: (86 573) 8368-6700

North America

51331 Pontiac Trail, Wixom
Michigan, 48393, USA

Europe

Carl-von-Linde-Str. 38, 85716
Unterschleißheim, Germany

OFFICE IN HONG KONG

7/F., K11 Atelier, Victoria Dockside

No. 18 Salisbury Road

Tsim Sha Tsui, Hong Kong

CORPORATE INFORMATION

PRINCIPAL BANKERS

Bank of China
Ningbo Development Zone sub-branch
21 Donghai Road
Ningbo Economic and Technological
Development Zone
China

Citibank N.A.
Hong Kong Branch
44/F Citibank Tower
No. 3 Garden Road
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law
Reed Smith Richards Butler LLP
17/F, One Island East
Taikoo Place, 18 Westlands Road
Quarry Bay, Hong Kong

As to PRC Law
Zhejiang T&C Law Firm
11/F Block A Dragon Century Square
1 Hangda Road
Hangzhou
China

As to Cayman Islands Law
Conyers Dill & Pearman
Century Yard, Cricket Square
Hutchins Drive, George Town
Grand Cayman, British West Indies

STOCK CODE

SEHK Code: 0425

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the six months ended 30 June 2025 (the “Review Period”), the Chinese automobile market continued its positive trajectory. Driven by sustained policy incentives such as the “trade-in” and “new energy vehicle (“NEV”) rural promotion”, coupled with intensified new model launches and promotional efforts by various OEMs, market demand in China improved significantly, providing robust support for the overall growth of the automobile industry, with both production and sales of automobiles achieving double-digit growth. During the Review Period, according to China Association of Automobile Manufacturers (“CAAM”), China’s production and sales of passenger vehicles reached approximately 13,522,000 units and approximately 13,531,000 units respectively, representing a year-on-year increase of approximately 13.8% and approximately 13.0%. During the Review Period, China’s NEV sector maintained its rapid growth momentum, and its market penetration rose steadily, continuing to lead the industry’s transformation and upgrading. According to CAAM, NEV sales during the Review Period reached approximately 6,937,000 units, representing a year-on-year increase of 40.3%, and accounting for approximately 44.3% of the sales of new vehicles. According to CAAM, during the Review Period, Chinese OEMs, leveraging their leading edge in the electric vehicle segment, further increased their market share to 68.5%, up by 6.6 percentage points year-on-year. Among joint venture OEMs, German, Japanese and American OEMs held market shares of 13.1%, 9.6% and 5.9% respectively, declining by 2.9, 2.4 and 1.2 percentage points year-on-year respectively. Korean OEMs maintained a 1.7% market share, which was flattish when compared with that in the same period of the previous year. During the Review Period, China’s automobile exports sustained their growth momentum, with particularly strong export of NEVs.

During the Review Period, the global light vehicle market posted steady growth, primarily underpinned by China, North America and certain emerging markets. According to the statistics of GlobalData, global light vehicle sales totaled approximately 44,474,000 units, representing a year-on-year increase of 4.9%. During the Review Period, among key mature markets, the United States (the “US”) saw pull-forward demand under the influence of tariff policy, and the sales of light vehicles reached approximately 8,109,000 units, representing a year-on-year increase of 3.1%. Western European market remained sluggish, with sales of approximately 6,067,000 units, down by 1.3% year-on-year. Japanese market witnessed strong performance, with sales of approximately 2,345,000 units, rising by 10.2% year-on-year. During the Review Period, among key emerging

MANAGEMENT DISCUSSION AND ANALYSIS

markets, Brazil and India recorded a year-on-year increase of approximately 3.5% and approximately 1.6% respectively, while Thailand and Mexico saw declines of approximately 1.7% and approximately 0.2% year-on-year respectively.

COMPANY OVERVIEW

Minh Group Limited (the “Company”) together with its subsidiaries (collectively the “Group”) is primarily engaged in two major businesses, namely the research and development (“R&D”), production and sales of auto parts, as well as that of toolings and moulds. The auto part business of the Group mainly includes metal and trim products, plastic products, aluminium products and battery housing products. The tooling and mould business mainly includes various moulds, gauges and fixtures for the development, processing and production of automobile exterior decorative parts and body structural parts. As a globalized supplier, the Group has established worldwide presence through the development of R&D, design, production and sales networks in China, the US, Mexico, Germany, the United Kingdom, Serbia, the Czech Republic, Thailand, Japan, South Korea, France and Poland. Together with the new base in Canada that is under construction, the Group is committed to continuously providing customers with quality services and products.

During the Review Period, the four product business units (“BUs”) of the Group, namely plastic products, aluminium products, metal and trim products, and battery housing products, continued to maintain effective collaboration with cross-functional departments and optimise order acceptance mechanism to further improve operational efficiency. The Group continues to deepen its flexible production network of “hub + satellite” factories in its global operating regions. By implementing the GLOCAL (global + local) business philosophy, it continues to build a parallel operating mechanism of global resource allocation and regional independent operations, achieving a dual improvement in global vision and localised market penetration. During the Review Period, the Group further integrated its multinational operational experience with localized practices and continued to optimise its regional supply chain system. This not only consolidated its global operational advantages, but also formed unique competition barriers in terms of strategic layout, technological innovation, product matrix, resource coordination and talent team building. During the Review Period, the Group continued to establish a systematic management process for its assets throughout the life cycle, thereby achieving a production capacity layout that is most in line with Minh’s global operations. The Group moderately expanded production capacity in accordance with global trade policy changes and the actual needs

MANAGEMENT DISCUSSION AND ANALYSIS

of its business development, while exercising stringent control over the rationality and effectiveness of related investments. This will reduce unnecessary investment and continuously improve capital efficiency. In light of the past new business intakes and potential new orders demand in the future, the Group plans to increase capital expenditure in North America, Europe and Southeast Asia in an orderly manner, aiming at accelerating the business growth in these markets as well as further improving the Group's GLOCAL presence. The source of funding for such investment is expected to be mainly from operating cash inflow of the Group.

During the Review Period, the Group continued to deepen the implementation of Minth Operation Excellence System (敏實卓越運營系統), advance lean management upgrade across the entire value chain, and implement multi-dimensional cost-reduction and efficiency-enhancement initiatives, cementing its industry-leading cost competitiveness, resulting in steady improvement in profitability. Meanwhile, the Group continued to boost the overall competitiveness of its products through enhancing processes, manufacturing technologies and production models, and strived for a thorough penetration of these products at customers' end. Through frequent exchange and interaction with its customers, the Group remained committed to the provision of optimal and systematic solutions to customers' internal combustion engine ("ICE") vehicle models and NEV models by perceiving customer demands in relation to product, technology and material innovation. During the Review Period, the Group continued to focus on the business development of Chinese OEMs and NEV start-ups, while playing an active role in supporting Chinese OEMs' overseas expansion strategy with its GLOCAL business philosophy and global layout advantages. During the Review Period, the Group strived to seize new business from international OEMs in the global market and secured multiple orders in different regions. Leveraging its diversified customer base, continuously innovative process technology platform, and expanding modular product offerings, the Group further enhanced the added value of its products. During the Review Period, revenue from the Group's battery housing BU continued to maintain rapid growth, while the traditional exterior decorative part products also achieved steady growth. This, coupled with the business expansion of sealing systems in new markets and the cultivation of products under emerging sectors such as low-altitude aircraft and humanoid robots, will all serve as the driving force of the Group's sustainable development in the medium to long term.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group continued to promote digital transformation and is ever-closer to digital operation and decision-making. Through the in-depth application of multiple digital systems, the Group has carried out the design and development of digitalization products covering the entire life cycle in relation to production, fixed assets and R&D data. This has laid a solid foundation for enhancing the digital management of its entire operation process and improving the efficiency of its corporate operations comprehensively. During the Review Period, the Group further forged ahead the unified deployment of SAP system across its factories around the globe, achieving standardisation and visualisation of operational data. The Group also enhanced the industrial IoT platform to establish a closed-loop data flow across the entire production chain, while prioritising the development of digital model factories to deepen the application of AI technologies and transparent dashboard management, thereby improving real-time decision-making efficiency. In the meantime, the Group also focused on fostering a digital mindset across its workforce. Through specialised talent development programmes and partner empowerment initiatives, the Group targets at building a collaborative and innovative digital culture. This systematic transformation is designed to provide intelligent support for the Group's global operations, thereby effectively facilitating the Group's agile operations and continuously consolidating its industry-leading position.

During the Review Period, the Group continued to build on its environment, safety and occupational health ("EHS") system with the goal of "Green Manufacturing with Intelligence and Sustainable Development" to continuously deepen its environment, safety and occupational health management, fulfil corporate social responsibilities, and progressively promote and create an excellent Minth EHS management system.

During the Review Period, the Group carried out internal audits, management reviews, external surveillance audits and certification for the ISO45001 Occupational Health and Safety Management, ISO14001 Environmental Management and ISO50001 Energy Management System. The Group has now achieved a 100% certification coverage rate for the ISO45001 and ISO14001 Systems, with 38 factories having been certified under the ISO50001 System. The Group has established energy management functions, annual performance targets, energy-saving management technical solutions and daily review systems at factory, BU and group levels. During the Review Period, all targets set by the Group on energy conservation and carbon reduction have been achieved.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the Group continued to consolidate and optimise its digital EHS management and carbon emission management, and realised bilingual implementation. With the eight modules launched and in continued operation on the Group's digital EHS system, namely the workplace accident management system, construction management system, EHS red line management system, EHS hidden-danger management system, EHS outstanding case library system, carbon emission management system, EHS honours and awards system and STOP management system (safety training observation program management system), the Group has comprehensively improved its EHS management efficiency, EHS risk prevention capability and emergency handling capability in its global factories. In particular, the carbon emission management system has incorporated 6 core functions: green supply chain management, carbon emission management, energy-saving project management, carbon footprint management, large-scale production line management and decision-making resources, in a bid to facilitate the Group to achieve its goals of carbon peaking by 2030 and carbon neutrality by 2050.

During the Review Period, the Group constantly introduced advanced technologies for wastewater, emissions and hazardous waste treatment to effectively reduce pollutant discharge and emission; increased investment in waste recycling facilities so as to reduce procurement of raw materials and supplies as well as operating costs; enhanced operation management of emission treatment facilities to ensure that the pollutant discharge of the Group is up to standards. The Group has been progressively phasing out outdated wastewater treatment equipment while introducing advanced intelligent treatment systems, actively promoting the application of wastewater treatment and recycling technologies. On the other hand, the Group continued to increase the recycle volume of end-process wastes while ensuring compliance with both customer specifications and product quality standards.

During the Review Period, the Group continued to strengthen its safety management across all BUs on a uniform basis with a focus on on-site operations, and updated and refined its EHS red lines in line with the changes in relevant regulations. Based on the "ten major red lines" and the "EHS Comprehensive Management Evaluation Criteria", and centering around "list management & process control", the Group adopted the EHS management principle of "clear communication, precise implementation, closed loop management and complete evidence chain" to enhance the safety awareness of employees and reinforce the management's awareness of risk identification, which will ensure operational safety at the factory level. The Group's EHS team continued to conduct EHS comprehensive management evaluation internal audits against each factory

MANAGEMENT DISCUSSION AND ANALYSIS

in Asia-Pacific, Europe and North America regions, commenced corporate compliance and overall EHS performance evaluation from 45 red-line and ten major comprehensive management evaluation dimensions, identified and reduced key risks, and comprehensively enhanced its capability in management and control of EHS risks, which facilitated the Group to reduce the occurrence of property damage and personnel injury accidents and enhanced its EHS performance, so as to ensure its safe and health conducive operation. During the Review Period, work-related injury or accident rate per million working hours of the Group was 1.03. The Group has always attached great importance to the development and management of occupational health by optimising management mechanisms for jobs exposed to occupational hazards, improving the working environment for staff, and ensuring comprehensive implementation of the occupational health check systems to safeguard the general health and well-being of the employees, thereby putting into practice its principle in ensuring holistic health for all its employees. During the Review Period, based on its occupational disease hazard control effectiveness evaluations and occupational disease hazard factor monitoring reports, the Group updated and optimised its occupational disease hazard factor communication materials, which would ensure the materials to remain dynamically aligned with actual occupational disease hazard factors at the workplace, thereby enhancing the protection of employees' occupational health and safety.

During the Review Period, in strict compliance with the "Minth Group Internal Control and Risk Management System" and the "Minth Group Internal Control and Risk Management Guidelines" and with thorough consideration over information from external policy environment and internal management requirements, the Group optimised its intelligent risk management platform and implemented systematic upgrade of its risk assessment mechanism. All of its business units and functional departments had conducted regular risk assessments, promptly updated their risk database, and developed differentiated risk response plans, thereby realising seamless integration of risk management into daily operations, and ensuring effective risk visualisation and real-time dynamic monitoring. In alignment with its development strategies, the Group continued to strengthen the building of its internal control and risk management system by the design of an organisational structure with clearly defined responsibilities and a digitized, restructured workflow, to establish a business process-based internal control system that significantly improves operational efficiency and risk resilience. Leveraging its global strategic deployment, the Group has rolled out comprehensive audits across the three major regions of Asia-Pacific, Europe and North America to effectively manage cross-border operational risks while enhancing both operational efficiency and business quality. In compliance

MANAGEMENT DISCUSSION AND ANALYSIS

with the Group's management requirements, all entities have strictly implemented the ISO37001 Anti-Bribery Management System to ensure effective anti-bribery management. During the Review Period, the Group completed updating the "Minth Group Internal Audit Management System" and the "Minth Group Audit Qualitative and Accountability Procedures", whilst also further optimising its whistleblowing response mechanism and expanding the internal/external information collecting channels per the "Minth Group Code of Business Conduct and Ethics", thereby reinforcing the establishment of a fair and transparent business environment. Through the above measures, the Group adhered to the business philosophy of advocating integrity and continued to pursue innovative risk management measures. By introducing dynamic optimisation of audit oversight and internal control system, the Group maintained operational risks within acceptable thresholds, safeguarding and promoting its sustainable and steady development.

BUSINESS AND OPERATION LAYOUT

During the Review Period, the Group's revenue was approximately RMB12,286,969,000, representing an increase of approximately 10.8% compared with approximately RMB11,090,414,000 in the same period in 2024. Its overall business performance had remained solid. In particular, the Group's revenue from China was approximately RMB4,306,273,000, representing a decrease of approximately 4.9% compared with approximately RMB4,525,885,000 in the same period in 2024, which was primarily attributable to the shrinking market share of joint venture OEMs in the Chinese market. The Group's international business delivered strong results with revenue of approximately RMB7,980,696,000, representing an increase of approximately 21.6% compared with approximately RMB6,564,529,000 in the same period in 2024, which was primarily attributable to the rapid growth in battery housing and structural parts business in Europe and the steady contribution from traditional exterior decorative products in the international market.

During the Review Period, the Group steadily proceeded with its new business intake. As performance of OEMs varies in different markets, the Group also adjusts its business strategies in a timely manner to ensure its business remains balanced and stable. During the Review Period, the Group made significant breakthroughs in battery housing as well as body and chassis structural parts business. The Group further secured structural parts business from Toyota Europe subsequent to securing battery housings business from Toyota Japan in 2024. It also secured chassis structural parts orders from several Chinese OEM customers such as Great Wall Motor and Geely during the Review Period. The Group

MANAGEMENT DISCUSSION AND ANALYSIS

successfully entered the battery housings supply chain of Chery while also securing orders again for battery housings from BYD, thereby further expanding cooperation with both customers. Notably, it secured battery housing structural parts business from General Motors for the first time by winning General Motors' battery module housing orders, while continuing to increase its presence in the battery housing business for both Stellantis and Volkswagen. Significant progress had also been made in the Group's intelligent interior and exterior product business during the Review Period. It secured bumper assembly business from Ford in North America and Renault for the first time, alongside obtaining multiple orders for intelligent interior and exterior products from customers such as Toyota, Hyundai-Kia, Changan and General Motors. During the Review Period, the Group continued to strengthen its intake of new business for its traditional products among the customers including Chinese OEMs and NEV start-ups, securing orders for various vehicle model products from customers including BYD, Chery, Li Auto, Geely, GAC Group and Great Wall Motor, while consistently expanding its market share in sealing systems. Such diversified product portfolio and increasingly balanced customer mix would provide a solid foundation for the Group's sustainable and long-term growth.

During the Review Period, the Group continued to implement the GLOCAL philosophy in its operational practices by further enhancing its global operational capabilities through global resource coordination and local market cultivation. During the Review Period, ongoing effort in global resources integration and cross-regional talent delegation and development from the Group had helped facilitate the rapid replication of best practices, while its cross-functional teams comprising core talents from various disciplines were also mobilised to address emergent requirements with agility. With the rapid growth of international revenue, the Group made strategical and continuous improvements to the production capacity layout and localisation rate in North America and Europe, and a majority of the orders for these regions had been locally produced during the Review Period. This has helped keep the impact and uncertainties caused by tariffs and geopolitical factors within manageable limits. The Group continued to enhance the management skills of its factories globally, built benchmark factories and promoted their management models, and employed the experience from the benchmark factories in terms of operation, technology and innovation to empower its global operations. During the Review Period, the Group's global factories made comprehensive use of the advantageous resources of various locations to pursue local excellence, prioritizing to improve the process planning, production efficiency, product yield, and capacity utilisation rate for products with more complex processes, so as to achieve a comprehensive improvement in technology, quality, and processes.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the Group further optimised its organisational structure by integrating certain R&D and business functions into respective BU, achieving enhanced coordination among efficient order acquisition, product design and mass production. During the Review Period, the Group continued to improve operational efficiency of its factories across the globe. Through systematic optimisation and technological innovation, it attained significant enhancements in both production efficiency and quality management. Regarding cost-reduction and efficiency-enhancement initiatives, the Group successively implemented the “on-site cost saving” programme across multiple factories located in, amongst others, Huaian, Jiaxing, Huzhou, Guangzhou and Qingyuan in China, as well as Serbia. Through its various efforts including but not limited to scrap material recycling, process efficiency improvements, reasonable increases in automation, and production line benchmarking for efficiency enhancement, the Group delivered steady growth in per capita output. Regarding quality management, the Group achieved consistent product quality improvements, with particularly notable improvements in the results of international factories, through targeted enhancement projects for high-defect processes and stringent controls over core processes. Meanwhile, the Group further reinforced its culture of continuous improvement through adopting digitized operational monitoring and encouraging all employees to put forward improvement proposals, thereby pursuing ever more efficient corporate operations.

During the Review Period, the Group continued to implement its asset-light strategy with stringent control over its capital expenditures. It rigorously assessed the rationality and necessity of new capacity investments, while also reducing dedicated production lines, enhancing production line flexibility and implementing global production capacity allocation. These measures improved capacity utilisation and, as a result, reduced overall investments. Meanwhile, the Group reduced its investment requirements through technological transformation and further minimised its investment by studying the feasibility of purchasing second-hand equipment for certain necessary investments. Given the volatility of the global economy and business environment, the Group has swiftly adjusted its investment pace in pursuit of enhanced investment efficiency and steady growth in operating results. These practices have not only reduced capital expenditure during the Review Period, but also advanced the full life cycle management of the Group’s assets to support long-term lean operations.

MANAGEMENT DISCUSSION AND ANALYSIS

The global macro environment and the development of the automobile industry are undergoing constant changes. During the Review Period, tariff imposition on various countries around the world by the US government and its frequent policy changes have had a profound impact on the global trade landscape. On one hand, tariff barriers have raised the cost of imported goods, and weakened their price competitiveness, resulting in an unstable supply chain. In this regard, the US government has implemented intervention measures including subsidies and other means of adjustment in order to mitigate the overall impact on the US local consumer market. On the other hand, trade frictions have escalated market uncertainties, urging companies to adjust their global layout, driving up both operational and compliance costs. Despite this challenge, the Group has leveraged its relatively well-established global presence to further optimise its localised operations and continued to increase the proportion of local supply. During the Review Period, the Group achieved localised production for most of its orders in North America. At the same time, the Group maintained real-time communication with customers on issues such as tariff impacts and continued to develop optimal risk response strategies. In addition, the Group has always been committed to business and market diversification, with balanced development in China, Europe, North America, Asia-Pacific and other regions. This approach ensures that the impact and uncertainty caused by tariffs and geopolitical factors are kept within manageable limits, and enables the Group to maintain competitiveness amid the complex trading environment. During the Review Period, the Group achieved solid growth in its results despite various uncertainties. The Group has always been committed to creating stable returns for its shareholders and other stakeholders, building a sustainable development path, and at the same time striving to minimise operational risks.

RESEARCH AND DEVELOPMENT

R&D and innovation are important pillars to corporate development and the Group attaches great importance to R&D planning. The Group had actively responded to the changes and developments in the automobile industry by laying down an innovation-driven strategy, optimising the structure of R&D organisations, strengthening the self-initiated R&D and innovative research capability in respect of basic materials, products and technologies, and continuing its investments in R&D. Through in-depth exchange with customers such as traditional OEMs, NEV start-ups and battery makers, the Group strived to deeply understand the differences in product and technology requirements of various customers and the development trend; and through proactive self-innovation and cooperation with leading enterprises globally, to promote technical breakthrough of processing technology. The Group prospectively improved the R&D capability and management efficiency as a

MANAGEMENT DISCUSSION AND ANALYSIS

whole to further solidify its presence in core components for NEVs and ICE vehicles and to promote the integration of intelligent products and exterior decorative parts, thus consolidating its position as a core strategic partner to OEM customers. The Group will continue to engage in innovative R&D and deployment, devote itself to the business development of products including battery housings, body and chassis structural parts and intelligent integrated exterior decorative parts, and contribute to the evolution of the automobile industry towards low carbon and intelligence. The Group has achieved tremendous milestones in these fields, which lays a solid foundation for the Group's future sustainable development.

During the Review Period, the Group continued to win nominations from traditional OEMs, NEV start-ups and battery makers, further consolidating the Group's leading position as one of the largest battery housing suppliers in the world. The Group continued the initiative of advancing research and innovation for battery housing technology. In light of the requirements for vehicle body structure, battery cell adaptability and battery safety protection, the Group could offer multi-material and lightweight product solutions that meet the standards for "cell-to-body" (CTB) and the latest safety requirements for EV batteries, providing innovative solutions to customers on a continuous basis. Based on its customer advantage in battery housings and in-depth cooperation with battery manufacturers, the Group made significant breakthroughs in roll-forming and high-frequency welding as well as aluminium extrusion processes for battery cell housings. Building on its success in securing Chinese customers for battery cell structural parts, the Group has been focusing on expanding into overseas markets, which is gradually becoming another growth driver. The Group has been proactively tapping into complementary parts of battery housing and successfully developed products such as front and rear crash management systems, subframes, die casting structural parts and electronic control cases, which has started to see order inflows. This should facilitate the Group to achieve integration of battery housings and body and chassis structure progressively, while also promoting a significant increase in the Group's content value per vehicle.

As for intelligent interior and exterior decorative products, the Group focused on the product R&D and expansion of intelligent front and rear modules, intelligent door and intelligent interior decorative product system to fully realise intelligent upgrade for interior and exterior decorative products. The Group has prospectively carried out R&D and planning for solutions of integrated intelligent front modules, which combine functions such as illumination, heating, wave transparency and automatic cleaning, and multiple industry-leading patents have already been authorised for those products and could

MANAGEMENT DISCUSSION AND ANALYSIS

be used for level 4 and above autonomous driving. The Group experienced increasing market penetration for its front and rear modules, successfully secured multiple bumper assembly projects from European and American OEMs, and successfully achieved a breakthrough in full-width light bar project from a well-known Chinese OEM. The Group has also actively deployed in the field of intelligent door systems, including application scenarios such as intelligent access and automatic opening, by which the doors are able to open automatically through contactless and biometric identification of car owner, and the Group's proprietary technologies, such as intelligent pillar cover with face recognition function, electric side door system and ultralight door assemblies, have started to see order inflows. The Group attaches great importance to customers' needs in forward-looking technology and has signed cooperation agreements with European and Korean OEMs to jointly develop future-oriented intelligent door solutions. The Group has made significant breakthroughs in the field of composite material application and body weight reduction in respect of door systems, the product solution of which, backed by the Group's unique VarinTech® technology, has been recognised by multiple customers in the NEV industry, and preliminary R&D projects have been gradually carried out to accelerate the commercial application and promotion of composite materials in the automobile industry. The Group has also been actively expanding its intelligent interior decorative product system, with a focus on the R&D of high value-added interior decorative assembly products. Being committed in pioneering the intelligent surface technology, the Group has secured a number of interior decorative product projects, including an intelligent dashboard for a European OEM.

The Group is also actively exploring new sectors and products to develop a second growth curve. The Group focuses on the R&D and expansion of emerging fields including AI, robotics, low-altitude economy and intelligent mobility. In consideration of the developments in autonomous driving and future charging technology, the Group has been proactively cultivating EV wireless charging systems, and signing a strategic partnership framework agreement with Siemens of Germany to jointly carry out wireless charging projects. In light of market and policy trends, the Group has been actively attracting talents in the intelligent robotics and low-altitude economy fields, and effectively leveraging the advantages of lean manufacturing from the automobile industry to be well-prepared for large-scale commercialisation in these areas in the future. In the intelligent robotics field, the Group focuses on the independent R&D of integrated joint modules, robotic electronic skin, intelligent masks, wireless charging system and limb structural parts for robots. It has established strong partnerships with leading robotics customers in China and completed small batch delivery of samples to multiple customers during the

MANAGEMENT DISCUSSION AND ANALYSIS

Review Period. The Group entered into a strategic cooperation agreement with AgiBot for in-depth collaboration on intelligent exteriors, wireless charging, joint assemblies and flexible intelligent manufacturing solutions in the field of humanoid robots. The Group attaches great importance to the commercialisation of humanoid robots, and has actively carried out secondary development and data collection projects for industrial scenarios in collaboration with robotics customers. This has gradually resulted in the establishment of an in-house pilot production line with the use of humanoid robots in operational workflows, driving continuous advancements in the industry. In the low altitude economy field, the Group focuses on the planning, R&D and production of two major product systems, namely the airframe and rotor system of low altitude aircraft. The Group, together with multiple leading Chinese players of flying vehicle/eVTOL (electric Vertical Take-off and Landing), has initiated in-depth cooperation. On 21 July 2025, the Group entered into a strategic cooperation agreement with EHang, a global leader in eVTOL. Through in-depth participation in concurrent design and airworthiness certification of its models, the Group have already secured mass production orders. Meanwhile, driven by the rapid advancement of artificial intelligence, the Group is also prioritizing the development and implementation of AI liquid cooling system-related products.

The Group also attaches great importance to technological R&D of new materials and has continuously increased its R&D investment in materials, mastering the technologies of four core materials, namely high-performance collision aluminium, high performance elastomer materials, functional plastics and green materials, as well as the related surface treatment technologies. In particular, the Group has developed the Minal®-S748 aluminium alloy with 500Mpa ultra-high yield strength and excellent collision resistance, which has successfully passed the vehicle crash performance test and reached advanced level in the global market. As of 30 June 2025, the Group has over 60 core patents in terms of material formula and processing technology in relation to aluminium alloy, which have been widely applied in the battery housings and body and chassis structural parts of OEMs such as BMW, Benz and Volkswagen, demonstrating the Group's comprehensive technological capability in both product and material, as well as its role as a leading player in Asia-Pacific or even the global market. Meanwhile, in response to the carbon neutrality targets in various markets in the world, the Group developed its proprietary ECO-ALUMIN® S series, a type of environment-friendly collision aluminium, with a carbon emission of less than 2.5Kg.CO₂/Kg.AL. In the meantime, the Group values the R&D and innovation of polymer materials and has completed the development of various green and low carbon materials, including but not limited to EcoSupElast® green elastomer materials, EcoOleCom® green plastics and bio-based materials, which have obtained technological

MANAGEMENT DISCUSSION AND ANALYSIS

certification from a number of NEV OEMs and have been successfully put into mass production and application. These materials could reduce carbon emission by over 36% comprehensively, contributing to the Group's realisation of its carbon neutrality goal.

The Group puts strong emphasis on the protection of intellectual property rights. It has initiated a comprehensive deployment in patents and trademarks for innovative products, and is focused on the protection and operation of intellectual property rights. During the Review Period, the Group filed 72 new patent applications and registered 5 new trademarks. The Group promotes the application and industrialisation of intellectual property rights with 242 patents being licensed, and jointly established a NEV patent pool, focusing on cutting-edge areas such as lightweighting, impact resistance, and intelligent front modules. During the Review Period, the Group was granted 135 new patents by competent authorities and 5 trademark registrations. The Group actively protects its intellectual property rights and carries out risk prevention management. It has conducted dozens of analyses in respect of patent right defences and infringement prevention to firmly safeguard its intellectual property rights and interest.

FINANCIAL REVIEW

Results

During the Review Period, the Group's revenue was approximately RMB12,286,969,000, representing an increase of approximately 10.8% from approximately RMB11,090,414,000 in the same period in 2024. During the Review Period, with the gradual mass production of undertaken projects and the steady increase in the sales of NEVs, the Group's battery-housing business continued to grow rapidly. Meanwhile, the Group's excellent performance in the sales of major vehicle models in the international market, coupled with the continuous balance and optimisation of customer mix, enabled the Group to achieve considerable revenue growth.

During the Review Period, the profit attributable to owners of the Company was approximately RMB1,276,562,000, representing an increase of approximately 19.5% from approximately RMB1,068,192,000 in the same period in 2024. This was mainly due to the favorable increase in gross profit compared to the same period in 2024, which was attributable to factors such as the economies of scale driven by the revenue growth of the Group, the continuous improvement in the capacity utilisation rate of the battery-housing

MANAGEMENT DISCUSSION AND ANALYSIS

product line and the promotion of measures to reduce cost and boost efficiency for each product line during the Review Period, coupled with the Group's ongoing strict cost control, which further improved the Group's quality of earnings.

SEGMENT REVENUE

An analysis on revenue by types of goods or services delivered or provided is as follows:

Segment category	Six months ended 30 June 2025		Six months ended 30 June 2024	
	RMB'000	%	RMB'000	%
Battery-housing	3,581,923	29.2	2,390,969	21.6
Plastic	2,867,481	23.3	2,842,566	25.6
Metal & Trim	2,660,040	21.6	2,541,801	22.9
Aluminum	2,469,038	20.1	2,372,380	21.4
Others	1,669,679	13.6	1,515,748	13.7
Elimination	(961,192)	(7.8)	(573,050)	(5.2)
Total revenue	12,286,969	100.0	11,090,414	100.0

A breakdown on revenue by ultimate geographical delivery destinations of the customers is as follows:

Market category	Six months ended 30 June 2025		Six months ended 30 June 2024	
	RMB'000	%	RMB'000	%
The People's Republic of China	4,306,273	35.0	4,525,885	40.8
Other countries	7,980,696	65.0	6,564,529	59.2
Total revenue	12,286,969	100.0	11,090,414	100.0

MANAGEMENT DISCUSSION AND ANALYSIS

Gross Profit

During the Review Period, the Group's gross profit was approximately RMB3,473,060,000, representing an increase of approximately 9.9% from approximately RMB3,161,637,000 in the same period in 2024. The gross profit margin for the Review Period was approximately 28.3%, representing a decrease of approximately 0.2% from approximately 28.5% in the same period in 2024. During the Review Period, the Group benefitted from improvements in economies of scale driven by revenue growth, proactive reductions in procurement cost, and ongoing efforts in its global deployment of localised production. In parallel, the continuous adoption of measures such as lean production and technological upgrades enhanced both production efficiency and yield, allowing the Group to maintain the overall gross profit margin at a relatively favorable level.

Investment Income

During the Review Period, the investment income of the Group was approximately RMB107,686,000, representing a decrease of approximately RMB82,962,000 from approximately RMB190,648,000 in the same period in 2024. It was mainly due to a decrease in the interest income of the Group.

Other Income

During the Review Period, the other income of the Group amounted to approximately RMB125,212,000, representing a decrease of approximately RMB81,289,000 from approximately RMB206,501,000 in the same period in 2024. It was mainly attributable to a decrease in government grants related to income.

Other Gains and Losses

During the Review Period, the Group's other gains and losses amounted to a net gain of approximately RMB94,231,000, representing an increase of approximately RMB94,211,000 compared to a net gain of approximately RMB20,000 in the same period in 2024. It was mainly due to the increase in net realised gains from derivative financial instruments.

MANAGEMENT DISCUSSION AND ANALYSIS

Distribution and Selling Expenses

During the Review Period, the Group's distribution and selling expenses were approximately RMB512,241,000, representing a decrease of approximately RMB18,877,000 from approximately RMB531,118,000 in the same period in 2024. It accounted for approximately 4.2% of the Group's revenue, representing a decrease of approximately 0.6% from approximately 4.8% in the same period in 2024. It was primarily driven by a decline in unit transportation costs, stemming from the easing of the impact of the Red Sea Crisis during the Review Period. Coupled with the Group's ongoing localization of production strategy and effective cost control measures, these factors collectively resulted in a significant reduction in transportation expenses.

Administrative Expenses

During the Review Period, the administrative expenses of the Group amounted to approximately RMB804,519,000, representing an increase of approximately RMB62,018,000 from approximately RMB742,501,000 in the same period in 2024. It accounted for approximately 6.5% of the Group's revenue, representing a decrease of approximately 0.2% from approximately 6.7% in the same period in 2024. The increase of the Group's administrative expenses was mainly due to the fact that during the Review Period, as the Group's global operations continued to expand, it took timely action to recruit and develop the necessary talent to support its international management needs, together with an increase in share option expenses. Meanwhile, the Group's ongoing optimisation of its organisational structure and implementation of stringent cost control measures resulted in a decrease in the proportion of the Group's administrative expenses to its revenue.

Research Expenditures

During the Review Period, the research expenditures of the Group amounted to approximately RMB726,299,000, representing an increase of approximately RMB11,691,000 from approximately RMB714,608,000 in the same period in 2024. It accounted for approximately 5.9% of the Group's revenue, representing a decrease of approximately 0.5% from approximately 6.4% in the same period in 2024. During the Review Period, as mass production of battery-housings and body and chassis structural parts began to yield results, the Group proactively responded to the transformation and development of the automobile industry by deepening its R&D strategy transition and optimising R&D resource allocation. The Group also carried out thorough reviews and forward-looking assessments

MANAGEMENT DISCUSSION AND ANALYSIS

of its ongoing research projects, with a particular emphasis on achieving significant breakthroughs in high-potential innovation areas, including new materials technologies, intelligent integrated exterior components, low-altitude aerial vehicles, intelligent robotics and so on. In parallel, the Group continued to strengthen strategic cooperations with leading enterprises, in order to drive long-term and sustainable growth through more targeted and efficient R&D investments. This strategic focus and enhanced R&D efficiency, together with the growth of the Group's revenue, led to a decrease in the proportion of the Group's research expenditures to its revenue.

Interest Expenses

During the Review Period, the Group's interest expenses amounted to approximately RMB178,487,000, representing a decrease of approximately RMB112,203,000 from approximately RMB290,690,000 in the same period in 2024. It was mainly attributable to the combined effect of the decrease in the average balance of borrowings and the average market lending rate during the Review Period.

Share of Results of Joint Ventures

During the Review Period, the Group's share of results of joint ventures was a net profit of approximately RMB21,845,000, representing an increase of approximately RMB406,000 from a net profit of approximately RMB21,439,000 in the same period in 2024, reflecting a relatively stable performance.

Share of Results of Associates

During the Review Period, the Group's share of results of associates was a net loss of approximately RMB10,816,000, representing a decrease of approximately RMB3,266,000 from a net loss of approximately RMB14,082,000 in the same period in 2024. It was primarily driven by the turnaround of an associate from loss to profit during the Review Period.

Income Tax Expense

During the Review Period, the Group's income tax expense was approximately RMB251,428,000, representing an increase of approximately RMB55,397,000 from approximately RMB196,031,000 in the same period in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the effective tax rate was approximately 16.0%, representing an increase of approximately 0.6% from approximately 15.4% in the same period in 2024.

Profits Attributable to Non-controlling Interests

During the Review Period, the Group's profits attributable to non-controlling interests were approximately RMB42,622,000, representing an increase of approximately RMB34,152,000 from approximately RMB8,470,000 in the same period in 2024. It was mainly attributable to the increase in net profit of non-wholly owned subsidiaries during the Review Period.

Liquidity and Financial Resources

As of 30 June 2025, the Group's total amount of cash and cash equivalents and pledged bank deposits and time deposits was approximately RMB5,731,340,000, representing an increase of approximately RMB456,369,000 from approximately RMB5,274,971,000 as of 31 December 2024. As of 30 June 2025, the Group's low-cost borrowings in aggregate amounted to approximately RMB8,859,868,000, among which the equivalent of approximately RMB3,494,390,000, approximately RMB2,386,741,000, approximately RMB2,157,270,000, approximately RMB300,634,000, approximately RMB250,898,000, approximately RMB179,442,000 and approximately RMB90,493,000 were denominated in Euro ("EUR"), RMB, US Dollar ("USD"), New Taiwan Dollar ("NTD"), Thai Baht ("THB"), Swiss Franc ("CHF") and Hong Kong Dollar ("HKD"), respectively, representing an increase of approximately RMB440,812,000 from approximately RMB8,419,056,000 as of 31 December 2024. It was mainly attributable to the additional borrowings due to the repayment of the capital contribution from local government funds amounting to RMB800,000,000 during the Review Period and the borrowings made by the Group having considered the consolidated gains from exchange rates, interest rates and capital management.

During the Review Period, the net cash flow from the Group's operating activities was approximately RMB2,236,847,000, indicating a sound cash flow condition.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the Group's trade receivables turnover days were approximately 77 days, which were approximately 1 day shorter than approximately 78 days in the same period in 2024. This was mainly due to the increased revenue contribution from customers in international markets with shorter trade receivables cycles, coupled with the Group's enhanced control over receivables collection during the Review Period. The combined effect of the above led to a decrease in the Group's trade receivables turnover days.

During the Review Period, the Group's trade payables turnover days were approximately 94 days, representing an increase of approximately 3 days from approximately 91 days in the same period in 2024. This was mainly due to the extended payment cycles upon active negotiations with suppliers based on the Group's growth in scale, as well as the changes in suppliers' settlement methods.

During the Review Period, the Group's inventory turnover days were approximately 95 days, representing an increase of approximately 1 day from approximately 94 days in the same period in 2024. This was primarily due to the increase in inventory reserves driven by the mass production of new global projects. In response, the Group has continued to advance its strategy of global deployment of localised production, bringing production closer to key markets to shorten the supply chain. Concurrently, the Group has enhanced its factory order review processes and production planning management to effectively control inventory turnover days.

The Group's current ratio was approximately 1.2 as of 30 June 2025, which remained at the similar level as that of approximately 1.2 as of 31 December 2024. As of 30 June 2025, the Group's gearing ratio was approximately 22.3% (31 December 2024: approximately 24.3%), which was a percentage based on interest-bearing borrowings divided by total assets.

Note: The calculation methods for the above indicators are the same as those previously set out in the Company's prospectus dated 22 November 2005.

The Group's capital demands had no particular seasonality features.

The Group is of the view that the favourable performance in sales, production and R&D, and a healthy cash reserve during the Review Period have provided a solid guarantee for sustainable development in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

Funding and Treasury Policy

The Group adheres to a prudent funding and treasury policy in managing its overall business operations. The Group funds its capital expenditures, working capital needs, and other liquidity requirements primarily through cash generated from operations, as well as bank and other loans. In addition, the Group will prudently manage its future capital needs to ensure financial stability and support sustainable growth. The Board reviews and evaluates the Group's funding and treasury policy from time to time to ensure its adequacy and effectiveness.

COMMITMENTS

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	406,547	468,437

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 30 June 2025, the balance of the Group's bank borrowings was approximately RMB8,859,868,000, of which approximately RMB7,015,322,000 will mature within one year, and approximately RMB1,844,546,000 will mature after one year. Approximately RMB929,256,000 of the borrowings was bearing at fixed interest rates, and approximately RMB7,930,612,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality features. In addition, approximately RMB6,004,216,000 of the borrowings was denominated in currencies other than the functional currencies of the Group's related entities, of which the equivalents of approximately RMB3,494,390,000, approximately RMB2,049,891,000, RMB190,000,000, approximately RMB179,442,000 and approximately RMB90,493,000 were denominated in EUR, USD, RMB, CHF and HKD respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's cash and cash equivalents and pledged bank deposits and time deposits are mainly denominated in RMB, USD and EUR. Remittance of funds out of the PRC is subject to the foreign exchange control restrictions imposed by the Chinese government.

As of 30 June 2025, the Group's total amount of cash and cash equivalents and pledged bank deposits and time deposits denominated in currencies other than the functional currencies was approximately RMB2,690,599,000, of which approximately RMB1,896,587,000 was denominated in USD, approximately RMB386,666,000 was denominated in EUR, approximately RMB344,548,000 was denominated in Japanese Yen, approximately RMB32,555,000 was denominated in HKD, approximately RMB27,342,000 was denominated in Mexican Peso, and the remainder of approximately RMB2,901,000 was denominated in other currencies.

As a result of the constant expansion of international sales and the drastic fluctuations in the currency market, the management of the Group is highly concerned about the foreign exchange risks, and would take the exchange rate expectations of relevant currencies into full consideration when deciding the billing currencies for relevant businesses. The Group controls and mitigates foreign exchange risks by closely monitoring the size of its assets and liabilities denominated in foreign currencies in day-to-day operations, by partially hedging foreign currency net investments through currency borrowings and other hedging instruments, and by selecting local currencies as settlement currencies appropriately according to the Group's international strategic deployment to reduce the size of businesses denominated in foreign currencies. Meanwhile, the Group also uses forward exchange contracts, currency swaps, options, interest rate swaps and other financial derivative products to further prevent interest rate risks and foreign exchange risks.

CONTINGENT LIABILITIES

As of 30 June 2025, the Group had no contingent liabilities (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

MORTGAGED ASSETS

As of 30 June 2025, the Group had borrowings of NTD120,000,000 (equivalent to RMB29,616,000) and approximately RMB3,505,000, which were mortgaged by land use rights with carrying value of approximately RMB6,034,000 and property, plant and equipment with carrying value of approximately NTD47,708,000 (equivalent to approximately RMB11,774,000) and approximately RMB10,692,000 (31 December 2024: the Group had borrowings of NTD60,000,000 (equivalent to RMB13,374,000) and approximately RMB2,807,000, which were mortgaged by land use rights with carrying amounts of approximately RMB6,093,000 and property, plant and equipment with carrying amounts of approximately NTD47,708,000 (equivalent to approximately RMB10,634,000) and approximately RMB10,912,000).

As of 30 June 2025, the Group had borrowings of NTD63,000,000 (equivalent to approximately RMB15,548,000), issued bills payables of approximately RMB679,464,000 due within 6 months, and issued letters of guarantee of approximately EUR22,226,000 (equivalent to approximately RMB186,754,000) and RMB176,179,000, which were pledged by bills receivables with fair value of approximately RMB14,778,000 and bank deposits of approximately RMB307,300,000, USD33,000,000 (equivalent to approximately RMB236,234,000) and approximately NTD8,116,000 (equivalent to approximately RMB2,003,000). The borrowings are to be settled in NTD and RMB (31 December 2024: the Group had borrowings of NTD144,000,000 (equivalent to RMB32,098,000), issued bills payables of approximately RMB779,194,000 due within 6 months, and issued letters of guarantee of approximately EUR 22,226,000 (equivalent to approximately RMB167,268,000) and RMB121,680,000, which were pledged by bills receivables with fair value of approximately RMB6,932,000 and bank deposits of approximately RMB412,070,000, USD23,000,000 (equivalent to approximately RMB165,333,000), approximately EUR5,117,000 (equivalent to approximately RMB38,507,000) and approximately NTD6,118,000 (equivalent to approximately RMB1,364,000). The borrowings are to be settled in NTD and RMB).

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL EXPENDITURE

Capital expenditure includes the acquisition of property, plant and equipment, the increase in construction in progress and the addition of land use rights. During the Review Period, the Group's capital expenditure amounted to approximately RMB902,056,000, which was mainly invested to build production capacity for international market and expand production capacity for products such as battery housings and body and chassis structural parts. During the Review Period, the Group's capital expenditure decreased by approximately 17.5% from approximately RMB1,093,333,000 in the same period in 2024. The reduction during the Review Period was primarily because the Group achieved the layout and synergy in global production capacity, while exercising stringent control over the investment in fixed assets, actively promoting the renovation and reuse of old equipment, and continued to promote effective collaboration among its factories all around the world, in order to further improve production capacity efficiency and reduce unnecessary production capacity expansion.

PLACING AND SUBSCRIPTION

The Group had no placing and subscription of shares during the Review Period.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisition or disposal of subsidiaries, joint ventures and associates during the Review Period.

EMPLOYEES

As of 30 June 2025, the Group employed a total of 26,357 staff, reflecting an increase of 694 employees compared to 31 December 2024. This increase was primarily driven by the sustained expansion of revenue during the Review Period. Additionally, as the Group continued to advance its globalisation strategy, new projects in North America and Europe have created additional manpower needs. Furthermore, to support sustainable and robust development, the Group has enhanced governance across various functional departments, leading to a corresponding increase in human resource investment.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the Group remained steadfast in its commitment to enhancing organisational effectiveness, further strengthening its global operational capabilities. By upgrading its R&D system and promoting vertical integration in its supply chain, the Group has successfully aligned technological innovation with business needs, thereby improving overall supply chain efficiency. Additionally, the Group has reinforced its dual-track governance model of “global expansion + regional focus”, ensuring that regional operations are strategically empowered. At the same time, the Group has refined its performance management system, introducing a three-tier monthly review process to evaluate performance at the levels of “Strategy, Organisation, and Individual”. Looking ahead to the second half of the year, the Group will continue to drive organisational agility transformation, while further integrating and coordinating resources across the Asia-Pacific, European, and North American regions. This will further strengthen the strategic empowerment of regional operations and ensure the sustainable growth of its global operations.

Along with the on-going deployment in its global strategy and layout, the Group continues to enhance and digitize its talent assessment and development systems. The Group targets to identify and nurture high-potential talents as early in their careers as possible, blending training with hands-on experience. Key initiatives include: (1) building a robust pipeline of mid-to-senior management talents across regions such as Europe and North America; (2) building a global curriculum resource system to accelerate the sharing, learning, and mastery of concepts, knowledge, and skills across diverse talent pools; and (3) promoting international language and cultural trainings to improve the efficiency of talent development. Looking ahead to the second half of 2025, the Group will continue to strengthen its global talent assessment and development frameworks, accelerating efforts to scale up the identification and training of high-potential talents worldwide, and building a solid talent foundation to support Minh’s global operations and ensure its sustainable and steady growth.

Care has always served as the cornerstone of the Group’s corporate culture. The Group conducted comprehensive evaluations of over 1,500 core management members, taking into account the perspectives of staff from diverse backgrounds. To promote a shared set of values across its global workforce, the Group hosted 90 values alignment workshops worldwide. As part of its cultural integration efforts, the Group also organised the second China-Serbia Youth International Cultural Exchange Camp, promoting cross-cultural exchange. In parallel, it enhanced both internal and external communications through a senior leadership training programme and the implementation of the “Minh Internal and

MANAGEMENT DISCUSSION AND ANALYSIS

External Communication Policy". The Group remains committed to the holistic well-being of its employees. Initiatives such as "Overall Health Workshops", "Emotional Intelligence", "Family Drawing Room", "Mini Marathons", and "Couples' Camps", alongside one-on-one wellness support, are all designed to nurture its employees' physical, mental, and emotional health. Looking ahead to the second half of the year, the Group will continue to drive "team culture integration" and "intercultural exchange", strengthening collaboration and communication across global teams. The Group will also enhance its human rights management in line with its ESG objectives and continue developing the health centre at its Serbia facility. Additionally, it plans to introduce a "Youth Summer Camp" for the children of Minth employees and the local community, further reinforcing its commitment to the well-being of its employees, their families, and the broader community.

During the Review Period, the Group strengthened its global governance by launching a global HR sharing platform. Leveraging digital tools and best practices from the Asia-Pacific region, the Group empowered its teams in Europe and America, and significantly improved process efficiency and leadership capabilities, thus providing solid support for its global operations. At the same time, the Group revised its talent, compensation, and benefits strategies for key European markets, ensuring high-quality product delivery while implementing reasonable control over costs and expenses. The Group also continued to review and update its compensation and benefits policies across major operational regions to ensure its competitiveness in the market. Following its principle of "high value creates high returns", certain share awards of the Company ("Awarded Shares") were vested to selected grantees of the Group during the Review Period, rewarding key talents who made outstanding contributions towards the Group's achievement of its critical growth targets for 2021 to 2024. Looking ahead to the second half of the year, the Group will continue refining both short- and long-term incentive policies, encourage all employees to create comprehensive business value, and ensure the successful execution of its all strategic goals and cost-efficiency initiatives.

In the second half of 2025, the Group will focus on key human resources strategies centred around "Global Governance, Global Integration, All in to Fulfill", fully aligning with its future strategic objectives. The Group's global priorities will include boosting organisational effectiveness, strengthening global talent development, fostering cultural diversity, and elevating its global employer brand. By drawing on best practices worldwide in local operations, the Group aims to build an efficient, collaborative and agile global organisation, driving its sustainable growth and long-term success.

MANAGEMENT DISCUSSION AND ANALYSIS

The remuneration policy and package of the Group's employees are periodically reviewed. Apart from statutory benefits and in-house training programmes, discretionary bonuses, share awards and share options may be awarded to employees according to the assessment of individual performance. The total staff costs incurred by the Group during the Review Period were approximately RMB2,589 million (the same period in 2024: approximately RMB2,357 million).

DIRECTORS

During the Review Period, the directors of the Company ("Directors") were as follows:

Executive Directors

Wei Ching Lien (*Chairperson and Chief Executive Officer*)

Ye Guo Qiang

Zhang Yuxia

William Chin (*appointed on 30 May 2025*)

Non-executive Director

Chin Chien Ya

Independent Non-executive Directors

Mok Kwai Pui Bill

Tatsunobu Sako

Meng Li Qiu

Chan Pak Hung (*appointed on 30 May 2025*)

Hu Ting Wu (*appointed on 30 May 2025*)

Wang Ching (*retired on 30 May 2025*)

During the Review Period, information required to be disclosed under Rule 13.51(2) of the Listing Rules

Mr. Chan Pak Hung resigned from the independent non-executive director of Ganglong China Property Group Limited (stock code: 6968) on 27 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE OPTION SCHEMES

The 2005 Share Option Scheme was adopted by the Company for a period of 10 years pursuant to a written resolution of all the then shareholders of the Company on 13 November 2005. Such scheme was terminated on 22 May 2012 and the 2012 Share Option Scheme with substantively similar terms to the 2005 Share Option Scheme was adopted on the same day at the 2012 annual general meeting of the Company for 10 years. The 2012 Share Option Scheme had expired on 22 May 2022. On the date of the 2022 annual general meeting of the Company, i.e. 31 May 2022, the Company adopted the 2022 Share Option Scheme for a term of 10 years with salient terms similar to those of the 2012 Share Option Scheme.

The purpose of the 2022 Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. All Directors, employees of the Group and service providers of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group are eligible to participate in the 2022 Share Option Scheme.

The 2022 Share Option Scheme will remain in force for a period of 10 years after the date on which the scheme was adopted. The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2022 Share Option Scheme adopted by the Group must not in aggregate exceed 10% ("General Scheme Limit") of the Shares of the Company in issue on 31 May 2022, the date when the Company adopted the 2022 Share Option Scheme, which were 116,183,579 Shares. The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares of the Company in issue as at the date of the shareholders' approval.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2022 Share Option Scheme and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the 2022 Share Option Scheme and any other share option schemes of the Company (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being ("Individual Limit").

MANAGEMENT DISCUSSION AND ANALYSIS

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. A nominal consideration of HKD1.00 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the 2022 Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, at the time of making an offer of the grant of an option which shall not expire later than 10 years from the date of grant of the option.

Unless the Board otherwise determined and stated in the offer to the participant, there is no minimum period for which an option granted under the 2022 Share Option Scheme must be held before it can be exercised.

The subscription price for the Shares under the 2022 Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

As at the date of this interim report, the total number of unexercised outstanding Share Options (i.e. the total number of Shares available for issue) under the 2012 Share Option Scheme is 7,995,000 which represents approximately 0.69% of the issued Shares (excluding treasury shares) as at the date of this interim report.

As at the date of this interim report, the total number of unexercised outstanding Share Options (i.e. the total number of Shares available for issue) under the 2022 Share Option Scheme is 27,003,000 which represents approximately 2.32% of the issued Shares (excluding treasury shares) as at the date of this interim report. As at the date of this interim report, the total number of Shares available for issue under the 2012 Share Option Scheme and the 2022 Share Option Scheme is 121,181,579 which represents approximately 10.43% of the issued Shares as at the date of this interim report (excluding treasury shares).

The total number of Share Options available for grant under the scheme mandate of the 2022 Share Option Scheme as at 1 January 2025 and 30 June 2025 were 86,183,579 and 86,183,579 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

As at the date of this interim report, the number of Share Options that could still be granted under the 2022 Share Option Scheme was 86,183,579, representing approximately 7.41% of the 1,162,321,999 Shares in issue (excluding treasury shares) as at 27 August 2025, being the date of this interim report.

Details are as follows:

Name and category of participants	Number of Share Options (Note 1)						Date of grant	Exercise period	Exercise price of the Share Options (HKD) (Note 7)	Weighted average closing price of Shares immediately before the date(s) on which Share Options were exercised (HKD)
	Outstanding as at 1 January 2025	Granted during the Review Period	Exercised during the Review Period	Cancelled during the Review Period	Lapsed during the Review Period	Outstanding as at 30 June 2025				
							(Note 5)	(Note 6)	(Note 7)	
Directors, chief executives, and substantial Shareholders and their respective associates										
Mr. Ye Guo Qiang	250,000	—	—	—	—	250,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
	500,000	—	—	—	—	500,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Ms. Zhang Yuxia	400,000	—	—	—	—	400,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
	500,000	—	—	—	—	500,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Mr. William Chin (Note 2)	300,000	—	—	—	—	300,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Ms. Chin Chien Ya (Note 3)	150,000	—	—	—	—	150,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
	100,000	—	—	—	—	100,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Mr. Mok Kwai Pui Bill	50,000	—	—	—	—	50,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Mr. Tatsunobu Sako	50,000	—	—	—	—	50,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Professor Meng Li Qiu	50,000	—	—	—	—	50,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Dr. Wang Ching (Note 4)	100,000	—	—	—	—	100,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
	50,000	—	—	—	—	50,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	N/A
Mr. Wu Tak Lung (Note 4)	100,000	—	—	—	—	100,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
Subtotal	2,600,000	—	—	—	—	2,600,000				
Other participants (Note 8)										
Employee participants (in aggregate)	15,920,600	—	43,400	—	627,200	15,250,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	24.26
	28,400,000	—	366,000	—	200,000	27,834,000	2-5-2024	5-5-2025 to 31-12-2029	14.30	20.49
Related entity participants (in aggregate)	—	—	—	—	—	—	N/A	N/A	N/A	N/A
Service providers (in aggregate)	530,000	—	—	—	—	530,000	28-7-2020	1-7-2021 to 31-12-2025	23.85	N/A
Subtotal	44,850,600	—	409,400	—	827,200	43,614,000				
Total	47,450,600	—	409,400	—	827,200	46,214,000				

MANAGEMENT DISCUSSION AND ANALYSIS

- Note 1: Numbers of Shares over which options were granted under the 2012 Share Option Scheme and the 2022 Share Option Scheme.
- Note 2: Mr. William Chin, an executive Director of the Company (appointed on 30 May 2025) and the Chief Strategy Officer of the Group, is the son of Ms. Wei Ching Lien ("Ms. Wei", an executive Director and Chairperson of the Company) and the brother of Ms. Chin Chien Ya ("Ms. Chin", a non-executive Director of the Company).
- Note 3: Ms. Chin Chien Ya, a non-executive Director of the Company, is the daughter of Ms. Wei and the sister of Mr. William Chin.
- Note 4: Dr. Wang Ching and Mr. Wu Tak Lung retired as independent non-executive Directors of the Company on 30 May 2025 and 31 May 2023 respectively.
- Note 5: The closing price of the Company's shares immediately before 28 July 2020 on which the Share Options were granted pursuant to the 2012 Share Option Scheme, i.e. on 27 July 2020 was HKD22.40. The closing price of the Company's shares immediately before 2 May 2024 on which the Share Options were granted pursuant to the 2022 Share Option Scheme, i.e. on 30 April 2024 was HKD13.44.
- Note 6: The option period for the Share Options granted on 28 July 2020 is for five years five months and three days and the vesting periods of such Share Options are as follows: (i) up to 30% of the Share Options granted to be vested on or after 1 July 2021; (ii) up to a further 30% of the Share Options granted to be vested on or after 1 July 2022; and (iii) all of the remaining Share Options granted to be vested on or after 1 July 2023. The option period for the Share Options granted on 2 May 2024 is for five years seven months and twenty-nine days and the vesting periods of such Share Options are as follows: (i) up to 30% of the Share Options granted to be vested on or after 5 May 2025; (ii) up to a further 30% of the Share Options granted to be vested on or after 5 May 2026; and (iii) all of the remaining Share Options granted to be vested on or after 5 May 2027.
- Note 7: The exercise price of the Share Options is subject to adjustment in the case of rights or bonus issues, or other similar changes on the Company's share capital.
- Note 8: There are no (i) participant with Share Options granted and to be granted in excess of the 1% individual limit, and (ii) related entity participant or service provider with Share Options granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue (excluding treasury shares).

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the grantees of the Company's Share Option Scheme exercised a total of 409,400 Share Options in accordance with the rules and terms of the Share Option Schemes and 827,200 Share Options lapsed as a result of resignations of grantees.

The fair values of the granted Share Options are listed as follows:

Share option type	Date of grant	Tranche	Exercise period	Exercise price (HKD)	Fair value at the date of grant (HKD)
2020 (Note 1)	28-7-2020	A	1-7-2021 to 31-12-2025	23.85	6.29
	28-7-2020	B	1-7-2022 to 31-12-2025	23.85	6.59
	28-7-2020	C	1-7-2023 to 31-12-2025	23.85	6.74
	28-7-2020	E	1-7-2021 to 31-12-2025	23.85	6.32
	28-7-2020	F	1-7-2022 to 31-12-2025	23.85	6.61
	28-7-2020	G	1-7-2023 to 31-12-2025	23.85	6.75
2024 (Note 2)	2-5-2024	A	5-5-2025 to 31-12-2029	14.30	3.98
	2-5-2024	B	5-5-2026 to 31-12-2029	14.30	4.28
	2-5-2024	C	5-5-2027 to 31-12-2029	14.30	4.50
	2-5-2024	E	5-5-2025 to 31-12-2029	14.30	3.98
	2-5-2024	F	5-5-2026 to 31-12-2029	14.30	4.28
	2-5-2024	G	5-5-2027 to 31-12-2029	14.30	4.50

Note 1: For the Share Options granted in 2020, the tranche A, B and C are granted to Directors and senior employees, while the tranche E, F and G are granted to other participants (excluding associates of Directors).

Note 2: For the Share Options granted in 2024, the tranche A, B and C are granted to Directors, while the tranche E, F and G are granted to other employees (including associates of Directors).

Apart from the Share Option Schemes as disclosed above, no Share Option was granted, exercised, cancelled or lapsed during the Review Period. Particulars of the Company's Share Option Schemes are set out in note 22 to the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

SHARE AWARD SCHEME

On 28 July 2020, the Company adopted a share award scheme (the “Share Award Scheme”) to allow share awards (the “Awarded Shares”) at the absolute discretion of the Board. The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Selected participants pursuant to the terms of the Share Award Scheme will be notified the number of shares awarded to them.

The total number of Awarded Shares available for grant under the scheme mandate of the Share Award Scheme as at 1 January 2025 and 30 June 2025 were 113,094,900 and 112,892,450 respectively. As at the date of this interim report, the total number of Shares available for issue under the Share Award Scheme is 112,892,450 which represents approximately 9.71% of the issued Shares as at the date of this interim report (excluding treasury shares).

The total number of Shares that may be issued in respect of Share Options and Awarded Shares granted under all schemes of the Company during the Review Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Review Period was approximately 4.01%.

On 22 January 2025 (the “Date of Grant”), the Group granted a total of 895,000 Awarded Share to certain grantees (including two Directors) under the Share Award Scheme, representing approximately 0.08% of the total number of issued shares (excluding treasury shares) as of the Date of Grant. The details of the aforementioned grant of share awards are set out in the announcement of the Company dated 22 January 2025.

SUMMARY OF THE SHARE AWARD SCHEME RULES

For further details on the rules of the Share Award Scheme, please refer to the announcement of the Company dated 28 July 2020 (the “Announcement”) (capitalized terms used below shall have the meanings ascribed therein).

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Purposes and Objectives

The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

(2) Eligible Participants for the Share Award Scheme

Participants who are eligible for the Share Award Scheme include (i) any employee (including but not limited to any executive director) of any member of the Group; (ii) non-executive director or independent non-executive director or officer; and (iii) an individual or employee of a corporate or entity who, pursuant to a contract for services, renders services to a member of the Group as determined by the Board from time to time (other than certain participants who are excluded from participation in the Share Award Scheme by reason of the restrictions under applicable laws and regulations).

(3) Duration

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption of the Share Award Scheme (i.e. 28 July 2020).

(4) Administration

The Share Award Scheme shall be subject to the administration of the Board and the trustee appointed from time to time (the "Trustee") in accordance with the Share Award Scheme rules and the trust deed entered into between the Company and the Trustee from time to time (the "Trust Deed") (as the case may be). The Trustee shall hold the Shares and the income derived from the Trust Fund (as defined in the Announcement) in accordance with the Share Award Scheme rules and the terms of the Trust Deed.

MANAGEMENT DISCUSSION AND ANALYSIS

(5) Share Award Scheme Limit

The Board shall not make any further award of Awarded Shares which will result in the aggregate number of Shares awarded by the Board under the Share Award Scheme exceeding ten per cent. of the issued share capital of the Company from time to time. Further, the maximum number of Shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed one per cent. of the issued share capital of the Company from time to time.

(6) Operation

Pursuant to the Share Award Scheme rules, the Company may from time to time,

- (i) issue new Awarded Shares under the general mandate granted and/or renewed by the Shareholders at the annual general meeting of the Company and/or under specific authority granted by its Shareholders to the Trustee to be held on trust for the relevant Selected Participant; or
- (ii) the Board may select the Selected Participant(s) and determine the Reference Amount for the purchase of the issued Shares for each of them, or otherwise determine from time to time a Reference Amount for the purchase of Shares, and notify the Trustee of its decision. Within such period as may be determined by the Board after receiving the Reference Amount, the Trustee shall apply the same towards the purchase (or subscription, as the case may be) of the maximum number of board lots of Shares at a price which falls within a range to be set by the Board. The Shares so purchased, the Related Income and any balance of the Reference Amount after completion of the purchase shall form part of the Trust Fund.

The Board may, at its discretion and from time to time, determine a Reference Amount in respect of which the Trustee shall purchase Awarded Shares from the market even though no Eligible Participants has yet been designated a Selected Participant, as a reserve for future awards to Selected Participants. The Board shall then cause such Reference Amount to be paid to the Trustee for acquisition of Shares for the purpose of the Awarded Shares under the Share Award Scheme on such terms and conditions as may be determined by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

(7) Restrictions

No Award shall be made by the Board and no new Awarded Shares shall be issued under the Share Award Scheme and no instructions to acquire Shares shall be given to the Trustee under the Share Award Scheme where any director is in possession of unpublished price-sensitive information in relation to the Group or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

(8) Grant and Vesting

The Company shall notify each Selected Participant of the number of Awarded Shares granted to each Selected Participant by a Grant Notice which shall set out the respective entitlement of each Selected Participant and specify the additional conditions pursuant to which the Awarded Shares and/or the Related Income shall vest in each respective Selected Participant. The Trustee shall not hold any income of the Trust Fund upon trust for the Selected Participant, who are not entitled to any income or rights attached to or derived from the Awarded Shares (inclusive of any nil-paid rights, options or warrants derived from the Awarded Shares apart from the Related Income) from the date of the grant of the Award until the vesting of the Awarded Shares in the Selected Participant.

Subject to the Share Award Scheme rules and the fulfilment of all vesting conditions as specified in the grant notice (such fulfilment shall be confirmed by the Board), the respective Awarded Shares and the Related Income held by the Trustee on behalf of a Selected Participant shall vest in such Selected Participant, and the Trustee shall cause such vested Awarded Shares and the Related Income to be transferred to, or to the order of, such Selected Participant in accordance with the procedure specified in the Share Award Scheme rules.

Except in the circumstances as set out under (9) below, upon the vesting of the Awarded Shares, barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee,

MANAGEMENT DISCUSSION AND ANALYSIS

- (i) the Board shall send to the relevant Selected Participant a vesting notice and for purchase of Awarded Shares, together with such prescribed reply slip which require the Selected Participant to execute to effect the vesting and transfer of the Awarded Shares and the Related Income, and
- (ii) subject to the receipt by the Trustee of (a) the reply slip prescribed in the vesting notice and duly signed by the Selected Participant within the period stipulated in the vesting notice, and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the Trustee shall transfer the relevant Awarded Shares (and where applicable, together with the Related Income) to the relevant Selected Participant as soon as practicable after the vesting date and in any event not later than such period after the vesting date as may be reasonably determined by the Board. The final decision in relation to such transfer shall be subject to the absolute discretion of the Board.

Prior to the vesting date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares and the Related Income referable to him pursuant to such Award.

Unless the Board otherwise determined and stated in the grant notice to the participant, there is no minimum period for which an Awarded Share granted under the Share Award Scheme must be held before it can be vested and that the amount payable on acceptance of the Awarded Share is nil.

The basis of determining the purchase price of Awarded Shares:

Not applicable as there is no purchase price under the Share Award Scheme.

(9) Disqualification of Selected Participants/Lapse of Award

In the event of a Total Lapse, all Awarded Shares and the Related Income which have not vested shall not vest on the relevant vesting date and shall become Returned Shares and the income of the Trust.

MANAGEMENT DISCUSSION AND ANALYSIS

In the event of a Partial Lapse, subject to the absolute discretion of the Board, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares and the Related Income which have not vested shall not vest on the relevant Vesting Date but shall become Returned Shares and income of the Trust.

In respect of a Selected Participant who retired, resigned or whose employment/engagement was terminated by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Shares and the Related Income of the relevant Selected Participant shall immediately lapse. All the Awarded Shares and the Related Income of the relevant Selected Participant shall become Returned Shares and income of the Trust.

In the event of the death of a Selected Participant at any time, the award of the Awarded Shares and the Related Income shall immediately lapse and all the Awarded Shares (or Reference Amount, as the case may be) and the Related Income of the relevant Selected Participant shall become Returned Shares and income of the Trust.

If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares and the Related Income shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed to be the vesting date. Subject to the receipt by the Trustee of duly executed reply slip to the vesting notice within 7 Business Days from the deemed Vesting Date, the Trustee shall transfer the Awarded Shares and the Related Income to the Selected Participant.

The Trustee shall hold the Returned Shares exclusively for the benefit of all or one or more of the Eligible Participants (excluding any Excluded Participant). The Board shall in its absolute discretion have the right to determine whether a proposed awardee is a Selected Participant at the time of award. When Returned Shares have been awarded, the Board shall notify the Trustee accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

(10) Voting Rights

The Trustee shall not exercise the voting rights in respect of any Shares held by it as nominee or under the Trust (if any) (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares derived therefrom).

(11) Termination

- (i) The Share Award Scheme shall terminate on the earlier of:
 - (a) on the 10th anniversary date of the Adoption Date; and
 - (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant.
- (ii) Upon termination of the Share Award Scheme,
 - (a) no further grant of Awarded Shares and the Related Income may be made under the Share Award Scheme, these rules of the Share Award Scheme shall remain in full force and effect in respect only of Awards which have been granted during the term of the Share Award Scheme and which remain unvested or which have vested but not yet been issued to a Selected Participant immediately prior to the termination of the Share Award Scheme;
 - (b) all the Awarded Shares and the Related Income of the Selected Participants granted under the Share Award Scheme shall become vested on the Selected Participants so referable on such date of termination save in respect of the Total Lapse or otherwise, subject to the receipt by the Trustee of the reply slip to the Vesting Notice prescribed by the Trustee and duly executed by the Selected Participant within the period stipulated by the Trustee;

MANAGEMENT DISCUSSION AND ANALYSIS

- (c) Returned Shares and such non-cash income remaining in the Trust Fund shall be sold by the Trustee, within such period after receiving notice of such termination of the Share Award Scheme as may be determined by the Board; and
- (d) the Residual Cash for the Selected Participants, net proceeds of sale referred to in paragraph (ii)(b) above and such other funds remaining in the Trust Fund (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith.

(12) Alteration

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such amendment shall operate to affect adversely any subsisting rights of any selected participant.

MANAGEMENT DISCUSSION AND ANALYSIS

Details of the movement of the Awarded Shares during the Review Period and during the financial year ended 31 December 2024 are set out in the tables as follows:

Name and category of participants	Number of Awarded Shares					Outstanding as at 30 June 2025	Date of grant	Vesting period	Fair value of Awarded Shares at the date of grant (HKD)	Weighted average closing price of Shares immediately before the date(s) on which Awarded Shares were vested (HKD)	Grant price of the Awarded Shares (HKD)
	Outstanding as at 1 January 2025	Granted during the Review Period	Vested during the Review Period	Cancelled during the Review Period	Lapsed during the Review Period						
	(Note 1)										
Directors, chief executives, and substantial Shareholders and their respective associates											
Zhang Yunxia	–	90,000	–	–	–	90,000	22-1-2025	(Note 2)	16.00	N/A	0
Ye Guo Qiang	–	85,000	–	–	–	85,000	22-1-2025	(Note 2)	16.00	N/A	0
Participants with Awarded Shares in excess of 1% individual limit											
N/A	–	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A
Related entity participants or service providers with Awarded Shares granted during the Review Period exceeding 0.1% of the total issued Shares											
N/A	–	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A
Other employee participants (in aggregate)	2,032,000	–	1,339,450	–	692,550	–	29-3-2021	(Note 3)	31.25	21.20	0
	–	720,000	–	–	–	720,000	22-1-2025	(Note 2)	16.00	N/A	0
Other related entity participants (in aggregate)											
N/A	–	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A
Other service providers (in aggregate)											
N/A	–	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A
Other participants											
N/A	–	–	–	–	–	–	N/A	N/A	N/A	N/A	N/A
Total	2,032,000	895,000	1,339,450	–	692,550	895,000					

MANAGEMENT DISCUSSION AND ANALYSIS

Name and category of participants	Number of Awarded Shares						Date of grant (Note 1)	Vesting period	Fair value of Awarded Shares at the date of grant (HKD)	Weighted average closing price of Shares immediately before the date(s) on which Awarded Shares were vested (HKD)	Grant price of the Awarded Shares (HKD)
	Outstanding as at 1 January 2024	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2024					
Directors, chief executives, and substantial Shareholders and their respective associates											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Participants with Awarded Shares in excess of 1% individual limit											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Related entity participants or service providers with Awarded Shares granted during the year exceeding 0.1% of the total issued Shares											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Other employee participants (in aggregate)	2,258,000	—	—	—	226,000	2,032,000	29-3-2021	(Note 3)	31.25	N/A	0
Other related entity participants (in aggregate)											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Other service providers (in aggregate)											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Other participants											
N/A	—	—	—	—	—	—	N/A	N/A	N/A	N/A	N/A
Total	2,258,000	—	—	—	226,000	2,032,000					

MANAGEMENT DISCUSSION AND ANALYSIS

Note 1: The closing price of the Shares immediately before the date on which the Awarded Shares were granted on 29 March 2021, i.e. on 26 March 2021 was HKD31.05. The closing price of the Shares immediately before the date on which the Awarded Shares were granted on 22 January 2025, i.e. on 21 January 2025 was HKD16.44.

Note 2: These Awarded Shares shall vest on 23 January 2026.

Note 3: According to the amended vesting conditions, the vesting of 50% of the Awarded Shares is deferred from the third to the fourth anniversary of the date of grant whereas the remaining 50% of the Awarded Shares will also vest on the fourth anniversary of the date of grant, on the basis of satisfaction of relevant vesting conditions.

Note 4: There are no (i) participant with Awarded Shares granted and to be granted in excess of the 1% individual limit (as defined in Rule 17.03D(1) of the Listing Rules), and (ii) related entity participant or service provider with Awarded Shares granted and to be granted in any 12-month period exceeding 0.1% of the Shares in issue (excluding treasury shares).

For more details of the Share Award Scheme, please refer to note 22 to the condensed consolidated financial statements.

During the Review Period, there were no contributions forfeited by the Group on behalf its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilization of such forfeited contributions to reduce future contributions. As at 30 June 2025, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix D2 to the Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PROSPECTS AND STRATEGIES

During the Review Period, the Chinese automobile market demonstrated a recovery trend, with passenger vehicle sales growing by approximately 13% year-on-year and NEVs accounting for over 44% of the total sales, continuing to drive growth of the market. Driven by the recovery of demand and policy incentives, automakers accelerated the launch of new models, but intensified competition led to ongoing price wars, with over 40 OEM brands officially reducing prices and some ICE vehicle models offering discounts of up to 20%. During the Review Period, Chinese brands saw their market share rise to 68.5%, while joint-venture automakers faced pressure, with certain brands experiencing significant declines in sales. According to CAAM, passenger vehicle sales in China are projected to reach 28.9 million units in 2025, representing a year-on-year increase of 4.9%, with NEVs sales expected to reach 16 million units, representing a year-on-year increase of 24.4%.

According to S&P Global Mobility's forecast, while benefiting from improvements in the supply chain, the global automobile industry is also influenced by policy uncertainties and fluctuations in market demand. In 2025, the global light vehicle market (including passenger cars, SUVs, and pickup trucks) is expected to see a slight increase in sales and a modest decline in production. Global light vehicle sales are estimated to reach 89.6 million units in 2025, representing a year-on-year increase of 1.7%. However, global automobile production may decline as automakers may seek to control inventory levels.

During the Review Period, although EU tariffs temporarily increased the export costs of Chinese NEVs, Chinese automakers still achieved growth in the European market by adjusting their product structure, accelerating overseas production, and implementing high-end strategies. In the long term, EU trade barriers may force Chinese brands to deepen their localisation efforts and further consolidate their global competitiveness. As of early July 2025, the technical aspects of the China-EU negotiations on anti-subsidy measures for electric vehicles have been fully completed. If the mechanism operates smoothly, by 2027, the price of Chinese electric vehicles in the European market could decrease by 15%, with localised production capacity accounting for over 40%, forming a "European design + Chinese technology" integrated ecosystem. Meanwhile, international markets require higher standards for component quality and certification, urging companies to overcome technical, compliance, and localisation challenges. Suppliers with "global capabilities + technological barriers" are more likely to emerge as winners.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group will actively respond to the challenges and opportunities brought about by the changes in the automobile and parts industry, and will continue to build up its comprehensive competitiveness in areas such as technology, quality and cost, focusing on the customers' concerns to become customers' most closely partnered global leader in supply. The Group will maintain a keen insight and fully leverage favorable policy conditions, respond to trends such as new energy product development, intelligent technology innovation and lightweight. The Group will also carry out strategic planning and technological innovations underpinned by its R&D repository stemming from the end-market and vehicle requirements, along with the advantages brought by the Group's global platform. Meanwhile, the Group will continue to deepen its cooperation with customers, maintain its ability to provide localised supply on a global scale, and respond swiftly to external changes. The Group will adjust its global production capacity flexibly to match customers' global operations in order to explore more business development opportunities.

Following the inauguration of the new U.S. administration, a series of plans to impose additional tariffs on imported products have been announced, which have adversely impacted U.S. automakers in the short term and forced the global automobile supply chain to accelerate its restructuring. In the long term, automakers are increasingly favouring a "localised production + regional supply chain" model to reduce cross-border trade risks. The Group will closely monitor the latest developments in tariff policies, comprehensively consider and flexibly adjust its global production layout, thereby providing customers with optimised solutions. To address the impacts and uncertainties caused by tariffs and geopolitical factors, the Group has already achieved localised production for the majority of its orders in North America. Going forward, it will further increase the proportion of localised production in North America while continuing to strengthen business and market diversification, ensuring balanced development across all regions globally so as to maintain competitiveness in a complex trade environment.

In terms of operational improvement, the Group will further optimise strategic planning of all BUs, continue to enhance its operational capabilities, especially for its international factories, select model factories in different regions for management replication and cost benchmarking, establish comprehensively competitive strengths in technology, cost, human resources efficiency and resource utilisation and utilise global resources to achieve local excellence, thereby achieving effective enhancement in profitability. In the meantime, the Group will continue to improve the global layout of its BUs, reinforce its GLOCAL management capabilities, enhance its local supply level and maximise the

MANAGEMENT DISCUSSION AND ANALYSIS

global replication or sharing of the advantages of its different factories in technologies, management, cost, resources and talents, thereby comprehensively enhancing the Group's global competitiveness.

The Group will strive to balance and optimise its investment portfolio and value chain layout in global market and strike excellence in operational capability, in order to better manage risks and respond to uncertainties of the macro-environment and achieve value positioning in a more flexible manner. The Group has been steadfastly adhering to its strategy of global business development, paying attention to changes in circumstances worldwide and striving for diversified development in multiple regions and customer base, while ensuring that it has a relatively independent operating space and achieves mass production in each of its major market regions, thereby realising a dual presence of global and regional layouts, to protect the Group's stable development and reduce potential risks arising from changes in the external environment and geopolitical factors. Meanwhile, the Group will continue to build up its global operation team, upon which to further consolidate the Group's core competitiveness in technology, products and talents, and offer more system integration solutions and customised products and services to its clients, thereby striving for a leading position in the global auto parts industry.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (the same period in 2024: nil).

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the interests or short positions of substantial Shareholders, other than the Directors or the chief executives of the Company, in the Shares and underlying shares of the Company as recorded in the register of substantial Shareholders maintained by the Company pursuant to Section 336 of the SFO are as follows:

Name of Substantial Shareholder	Capacity	Long/ Short Position	Total Number of Ordinary Shares	Percentage of the Company's Issued Share Capital (Note 1)
Chin Jong Hwa	Interest of controlled corporations	Long position	450,072,000	38.72%
	Interest of spouse	Long position	750,000 (Note 2)	0.06%
Minth Holdings Limited ("Minth Holdings")	Beneficial owner	Long position	450,072,000 (Note 3)	38.72%
JPMorgan Chase & Co.	Beneficial owner	Long position	7,930,803	0.68%
		Short position	6,845,354 (Note 4)	0.59%
	Investment manager	Long position	52,125,583	4.48%
	Person having a security interest in shares	Long position	575,100	0.05%
	Approved lending agent	Long position	10,695,946	0.92%

OTHER INFORMATION

Note 1: The percentage of the Company's issued share capital of 1,162,402,999 Shares as at 30 June 2025.

Note 2: As at 30 June 2025, Minth Holdings and Ms. Wei were beneficially interested in 450,072,000 Shares and 750,000 Shares respectively. Minth Holdings was wholly-owned by Mr. Chin Jong Hwa and he was therefore deemed to be interested in the entire 450,072,000 Shares held by Minth Holdings. Since Mr. Chin Jong Hwa is the spouse of Ms. Wei, he is deemed to be interested in the 750,000 Shares in which Ms. Wei is interested.

Note 3: As at 30 June 2025, Minth Holdings, a company wholly-owned by Mr. Chin Jong Hwa, was beneficially interested in 450,072,000 Shares.

Note 4: As at 30 June 2025, according to the information disclosed to the Company under Division 2 and Division 3 of Part XV of the SFO, these Shares were held by corporations controlled directly or indirectly as to 100% by JPMorgan Chase & Co.

Other than as disclosed above, as at 30 June 2025, the Company had not been acknowledged by any person of any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which would otherwise have to be notified to the Company and the Stock Exchange pursuant to Division 7 and Division 8 of Part XV of the SFO (including interests and short positions, if any, which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

Name of Directors, chief executives and their respective associates	Company/ Name of Associated Corporation	Long/ Short Position	Capacity	Total Number of Ordinary Shares	Percentage of the Company's Issued Share Capital (Note 1)
Wei Ching Lien	Company	Long position	Beneficial owner	750,000	0.06%
		Long position	Interest of spouse	450,072,000 (Note 2)	38.72%
Ye Guo Qiang ("Mr. Ye")	Company	Long position	Beneficial owner	865,000 (Note 3)	0.07%
Zhang Yuxia ("Ms. Zhang")	Company	Long position	Beneficial owner	1,080,000 (Note 4)	0.09%
William Chin	Company	Long position	Beneficial owner	300,000 (Note 5)	0.03%
Chin Chien Ya	Company	Long position	Beneficial owner	250,000 (Note 6)	0.02%
Mok Kwai Pui Bill ("Mr. Mok")	Company	Long position	Beneficial owner	50,000 (Note 5)	0.004%
Tatsunobu Sako ("Mr. Sako")	Company	Long position	Beneficial owner	50,000 (Note 5)	0.004%
Meng Li Qiu ("Professor Meng")	Company	Long position	Beneficial owner	50,000 (Note 5)	0.004%
Wang Ching ("Dr. Wang")	Company	Long position	Beneficial owner	150,000 (Note 6)	0.01%

OTHER INFORMATION

- Note 1: The percentage of the Company's issued share capital is based on the 1,162,402,999 Shares issued as at 30 June 2025.
- Note 2: As at 30 June 2025, Ms. Wei and Minth Holdings were beneficially interested in 750,000 Shares and 450,072,000 Shares respectively. Minth Holdings is wholly-owned by Mr. Chin Jong Hwa and he is therefore deemed to be interested in the entire 450,072,000 Shares held by Minth Holdings. Since Ms. Wei is the spouse of Mr. Chin Jong Hwa, Ms. Wei is deemed to be interested in the 450,072,000 Shares in which Mr. Chin Jong Hwa is deemed to be interested.
- Note 3: This figure represents (i) 750,000 Share Options granted to Mr. Ye under the 2012 Share Option Scheme and the 2022 Share Option Scheme that are exercisable, (ii) 30,000 Shares held by Mr. Ye and (iii) 85,000 Awarded Shares granted to Mr. Ye under the Share Award Scheme. Upon exercise of the 750,000 Share Options, Mr. Ye will own 865,000 Shares.
- Note 4: This figure represents (i) 900,000 Share Options granted to Ms. Zhang under the 2012 Share Option Scheme and the 2022 Share Option Scheme that are exercisable, (ii) 90,000 Shares held by Ms. Zhang and (iii) 90,000 Awarded Shares granted to Ms. Zhang under the Share Award Scheme. Upon exercise of the 900,000 Share Options, Ms. Zhang will own 1,080,000 Shares.
- Note 5: These figures represent the number of Share Options granted to Mr. William Chin, Mr. Mok, Mr. Sako and Professor Meng under the 2022 Share Option Scheme that are exercisable. Upon exercise of the Share Options, Mr. William Chin, Mr. Mok, Mr. Sako and Professor Meng will own 300,000 Shares, 50,000 Shares, 50,000 Shares and 50,000 Shares, respectively. Mr. William Chin, an executive Director of the Company (appointed on 30 May 2025) and the Chief Strategy Officer of the Group, is the son of Ms. Wei and the brother of Ms. Chin.
- Note 6: These figures represent the number of Share Options granted to Ms. Chin and Dr. Wang under the 2012 Share Option Scheme and the 2022 Share Option Scheme that are exercisable. Upon exercise of the Share Options, Ms. Chin and Dr. Wang will own 250,000 Shares and 150,000 Shares, respectively. Dr. Wang retired as an independent non-executive Director on 30 May 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors, chief executives and their associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

OTHER INFORMATION

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

During the Review Period, the grantees of the Company's Share Option Scheme exercised a total of 409,400 Share Options in accordance with the rules and terms of the Share Option Schemes and 827,200 Share Options lapsed as a result of resignations of grantees.

During the Review Period, the trustee of the Share Award Scheme did not purchase any Awarded Shares on the Stock Exchange, and the Group granted a total of 895,000 Awarded Shares to the grantees (including two Directors) pursuant to the rules of the Share Award Scheme and the terms of the trust deed. 1,339,450 Awarded Shares were vested to the grantees during the Review Period, and 692,550 Awarded Shares were forfeited due to the grantees' resignations or failure to fully achieve all the key performance indicators.

During the Review Period, the Company repurchased a total of 886,000 shares of the Company on the Stock Exchange with details as below, all of which are held as treasury shares.

Date of repurchase of Shares	Number of Shares repurchased	Lowest repurchase price per Share (HKD)	Highest repurchase price per Share (HKD)	Aggregate price paid (HKD)
March 2025	246,000	20.90	21.00	5,158,300.20
April 2025	640,000	16.38	20.00	11,647,969.80
Total	886,000			16,806,270.00

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company (including the sale or transfer of treasury shares) during the Review Period.

OTHER INFORMATION

The Company intended to determine whether and how these treasury shares so repurchased will be utilised based on market conditions and the capital management needs of the Group from time to time, subject to compliance with the Listing Rules, the Company's memorandum of association and articles of association and applicable laws of Cayman Islands.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "Corporate Governance Code") set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules"). Save as disclosed below, none of the Directors is aware of any information that would reasonably indicate that the Company did not, at any time during the Review Period, comply with the Corporate Governance Code.

Code Provision C.1.6 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Tatsunobu Sako, an independent non-executive Director, and Dr. Wang Ching, the then independent non-executive Director, attended the 2025 annual general meeting of the Company by electronic means; Mr. Mok Kwai Pui Bill, an independent non-executive Director, attended the meeting in person; and Ms. Chin Chien Ya, a non-executive Director, and Professor Meng Li Qiu, an independent non-executive Director, were unable to attend the meeting due to other business commitments.

Code provision C.2.1 stipulates that the roles of chairperson and chief executive officer should be separate and should not be performed by the same person. As announced on 13 June 2022, the Company is currently in the process of identifying a new chief executive officer ("CEO") following the resignation of the then CEO, and meanwhile, Ms. Wei Ching Lien (an executive director and the Chairperson), held (and as at the date of this interim report, still holds) the position of the CEO. Taking into account Ms. Wei's in-depth knowledge of the Group's business and the fact that key decisions were made after consulting members of the Board and the relevant Board committees, the Board considers that deviation from Code Provision C.2.1 is still appropriate under such

OTHER INFORMATION

circumstance, which enables more effective planning and execution of long-term business strategies as well as enhances the efficiency of decision-making during the interim period before the next appointment of the CEO.

Notwithstanding the above, the Board is of the view that the Group has an effective management structure for its operation and has put in place adequate review and balance measures. The Board will continue to review its corporate governance practices and will thereby enhance its corporate governance standards and compliance with regulatory requirements.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) as set out in Appendix C3 to the Listing Rules as the Company’s code of conduct and the code for dealing in the Company’s securities by all Directors. Having made specific enquiries to all Directors, the Directors confirmed that they had strictly complied with the standards stipulated under the Model Code during the Review Period.

MATERIAL LITIGATION AND ARBITRATION

The Group was not engaged in any litigation or arbitration of material importance during the Review Period and up to the date of this interim report.

AUDIT COMMITTEE AND AUDITOR

The Audit Committee of the Company consisted of five independent non-executive Directors, namely Mr. Mok Kwai Pui Bill (Chairperson of the Audit Committee), Mr. Tatsunobu Sako, Professor Meng Li Qiu, Mr. Chan Pak Hung and Mr. Hu Ting Wu. The Committee reviews the Group’s internal control systems, the completeness and accuracy of the Group’s financial statements and liaises on behalf of the Directors with the external auditor. Members of the Committee will meet regularly with the management and external auditor to review the audit reports as well as the interim and annual financial reports of the Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements for the six months ended 30 June 2025 and this interim report, and recommended its adoption by the Board.

OTHER INFORMATION

The unaudited interim financial report for the six months ended 30 June 2025 has been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, with an unqualified opinion, in accordance with Hong Kong Standard on *Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA.

SUPPLEMENTAL INFORMATION

The Company would like to provide to the shareholders and potential investors of the Company with the following additional information with respect to the information disclosed in its annual report for the year ended 31 December 2024 (the "2024 Annual Report").

CONTINUING CONNECTED TRANSACTIONS

On 23 February 2022, the Group as purchaser entered into the Wuhan Camera Purchase Agreement, the Jiaxing Camera Purchase Agreement and the Guangzhou Camera Purchase Agreement with Jiaxing Shun Min Electronic Co., Ltd.* (嘉興淳敏電子有限公司) ("Jiaxing Shun Min") as supplier to purchase automobile camera devices, parts and accessories for the period from 23 February 2022 to 22 February 2025.

On 23 February 2022, the Company (through its indirect wholly-owned subsidiary Jiaxing Minsheng Automotive Parts Co., Ltd.* (嘉興敏勝汽車零部件有限公司)) as purchaser entered into the PCBA Purchase Agreement with Jiaxing Shun Min, as supplier to purchase printed circuit boards assembly for the period from 23 February 2022 to 22 February 2025.

On 23 February 2022, the Company (through its indirect wholly-owned subsidiary, Jiaxing Minhui Automotive Parts Co., Ltd.* (嘉興敏惠汽車零部件有限公司)) as purchaser entered into the Suppliers Agreement with Zhejiang Tianchong Vehicle Lamp Co., Ltd.* (浙江天翀車燈集團有限公司) as the assembly supplier and Jiaxing Shun Min as the tier 2 supplier for the assembly of printed circuit board parts for the period from 23 February 2022 to 22 February 2025.

OTHER INFORMATION

Subsequently, the Group has received increased orders for certain of its products, which has resulted in increased orders for products supplied by Jiaxing Shun Min under the agreements stated above (the “Agreements”). On 29 December 2022, the Group revised the original annual caps for the Agreements for the annual year ending 22 February 2023, 22 February 2024 and 22 February 2025 respectively.

The revised aggregate annual caps for the transactions under the Agreements for the period from 23 February 2024 to 22 February 2025 was RMB268,719,000, while the actual transaction amount was approximately RMB32,121,000.

On 31 December 2024, the Group as purchaser entered into the Jiaxing Camera Purchase Agreement with Jiaxing Shun Min as supplier to purchase automobile camera devices, parts and accessories for the period from 1 January 2025 to 31 December 2027 to replace the 2022 Jiaxing Camera Purchase Agreement which has been terminated with effect from 1 January 2025. The Group as purchaser also entered into the Hubei Camera Purchase Agreement on the same date with Jiaxing Shun Min as supplier to purchase automobile camera devices, parts and accessories for the period from 1 January 2025 to 31 December 2027. The aggregate annual caps for the transactions under the Jiaxing Camera Purchase Agreement and Hubei Camera Purchase Agreement for the three years ending 31 December 2027 are RMB46,302,000, RMB46,302,000 and RMB46,302,000, respectively.

* The English names are for identification purposes only.

SHARE AWARD SCHEME

Participants who are eligible for the Share Award Scheme include (i) any employee (including but not limited to any executive director) of any member of the Group; (ii) non-executive director or independent non-executive director or officer; and (iii) an individual or employee of a corporate or entity who, pursuant to a contract for services, renders services to a member of the Group as determined by the Board from time to time (other than certain participants who are excluded from participation in the Share Award Scheme by reason of the restrictions under applicable laws and regulations).

OTHER INFORMATION

INTENDED USE OF TREASURY SHARES

During the year ended 31 December 2024, the Company repurchased a total of 10,244,000 shares of the Company, all of which were held as treasury shares.

The Company intended to determine whether and how these treasury shares so repurchased will be utilised based on market conditions and the capital management needs of the Group from time to time, subject to compliance with the Listing Rules, the Company's memorandum of association and articles of association and applicable laws of Cayman Islands.

The above additional information does not affect other information contained in the 2024 Annual Report. Save as disclosed above, all other information in the 2024 Annual Report remains unchanged.

By Order of the Board
Minth Group Limited
Wei Ching Lien
Chairperson

Hong Kong, 27 August 2025

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF MINTH GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Minth Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 62 to 106, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONCLUSION

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Revenue	3	12,286,969	11,090,414
Cost of sales		(8,813,909)	(7,928,777)
Gross profit		3,473,060	3,161,637
Investment income	4	107,686	190,648
Other income	5	125,212	206,501
Impairment losses under expected credit loss model, net of reversal	14	(19,060)	(14,553)
Other gains and losses	6	94,231	20
Distribution and selling expenses		(512,241)	(531,118)
Administrative expenses		(804,519)	(742,501)
Research expenditures		(726,299)	(714,608)
Interest expenses		(178,487)	(290,690)
Share of results of joint ventures		21,845	21,439
Share of results of associates		(10,816)	(14,082)
Profit before tax		1,570,612	1,272,693
Income tax expense	7	(251,428)	(196,031)
Profit for the period	8	1,319,184	1,076,662

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
	Note	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Other comprehensive income (expense):			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		600,436	(74,456)
Fair value loss on debt instruments measured at fair value through other comprehensive income		(1,078)	(230)
Other comprehensive income (expense) for the period (net of income tax)		599,358	(74,686)
Total comprehensive income for the period		1,918,542	1,001,976
Profit for the period attributable to:			
Owners of the Company		1,276,562	1,068,192
Non-controlling interests		42,622	8,470
		1,319,184	1,076,662
Total comprehensive income for the period attributable to:			
Owners of the Company		1,840,864	1,013,624
Non-controlling interests		77,678	(11,648)
		1,918,542	1,001,976
Earnings per share	10		
Basic		RMB1.120	RMB0.928
Diluted		RMB1.115	RMB0.928

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
	Notes		
Non-current assets			
Property, plant and equipment	11	16,251,983	15,798,496
Right-of-use assets	11	1,024,065	1,034,728
Goodwill		98,030	98,030
Other intangible assets	11	145,444	91,523
Interests in joint ventures		255,193	288,678
Interests in associates		84,395	95,211
Deferred tax assets		528,030	482,985
Prepayment for acquisition of property, plant and equipment		480,126	460,998
Contract assets	13	1,109,076	1,003,741
Contract costs		85,702	92,920
Financial assets at fair value through profit or loss	15	1,130,581	1,075,344
Plan assets		2,712	2,446
Time deposits		944,274	1,063,624
Derivative financial assets	16	—	863
		22,139,611	21,589,587
Current assets			
Inventories		4,608,490	4,640,941
Loan receivables		69,243	26,037
Trade and other receivables	12	8,099,459	7,476,017
Contract assets	13	301,588	289,026
Derivative financial assets	16	4,178	21,558
Debt instruments at fair value through other comprehensive income		334,688	314,881
Pledged bank deposits and time deposits		1,374,363	1,770,568
Cash and cash equivalents		3,412,703	2,440,779
Financial assets at fair value through profit or loss	15	293,249	189,542
		18,497,961	17,169,349

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Current liabilities			
Trade and other payables	17	7,811,011	7,260,369
Tax liabilities		265,271	206,248
Borrowings	18	7,015,322	5,893,775
Lease liabilities		36,458	21,918
Contract liabilities		235,739	162,728
Derivative financial liabilities	16	23,587	20,577
Other long-term liabilities due within one year	21	213,879	1,011,176
		15,601,267	14,576,791
Net current assets		2,896,694	2,592,558
Total assets less current liabilities		25,036,305	24,182,145
Capital and reserves			
Share capital	19	116,307	116,269
Share premium and reserves		21,731,370	20,328,883
Equity attributable to owners of the Company		21,847,677	20,445,152
Non-controlling interests		880,227	813,779
Total equity		22,727,904	21,258,931
Non-current liabilities			
Borrowings	18	1,844,546	2,525,281
Deferred tax liabilities		199,274	196,651
Lease liabilities		58,056	62,261
Derivative financial liabilities	16	—	14,054
Contract liabilities		162,607	104,898
Deferred income	20	43,918	20,069
		2,308,401	2,923,214
		25,036,305	24,182,145

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000	Treasury stock RMB'000	Special reserve RMB'000	Other reserve RMB'000	Statutory surplus reserve fund RMB'000	Enterprise expansion fund RMB'000	FVTOCI reserve RMB'000	Exchange reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024 (audited)	116,269	4,153,085	(252,636)	276,199	73,976	1,073,376	430,651	(1,688)	(69,447)	284,280	12,234,432	18,318,497	821,382	19,139,879
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,068,192	1,068,192	8,470	1,076,662
Other comprehensive income for the period	-	-	-	-	-	-	-	(230)	(54,338)	-	-	(54,568)	(20,118)	(74,686)
Total comprehensive income for the period	-	-	-	-	-	-	-	(230)	(54,338)	-	1,068,192	1,013,624	(11,648)	1,001,976
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	14,841	-	14,841	-	14,841
Transfer to other reserve for share option forfeited after the vesting date	-	-	-	-	3,548	-	-	-	-	(3,548)	-	-	-	-
Recognition of equity-settled share-based payment in a subsidiary (note 22)	-	-	-	-	-	-	-	-	-	363	-	363	632	995
At 30 June 2024 (unaudited)	116,269	4,153,085	(252,636)	276,199	77,524	1,073,376	430,651	(1,918)	(123,785)	295,936	13,302,624	19,347,325	810,366	20,157,691

	Share capital RMB'000	Share premium RMB'000	Treasury stock RMB'000	Special reserve RMB'000	Other reserve RMB'000	Statutory surplus reserve fund RMB'000	Enterprise expansion fund RMB'000	FVTOCI reserve RMB'000	Exchange reserve RMB'000	Share-based payment reserve RMB'000	Retained profits RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025 (audited)	116,269	4,153,085	(382,649)	276,199	87,931	1,073,376	430,651	(2,358)	(179,432)	318,192	14,553,888	20,445,152	813,779	21,258,931
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,276,562	1,276,562	42,622	1,319,184
Other comprehensive income for the period	-	-	-	-	-	-	-	(1,078)	565,380	-	-	564,302	35,056	599,358
Total comprehensive income for the period	-	-	-	-	-	-	-	(1,078)	565,380	-	1,276,562	1,840,864	77,678	1,918,542
Recognition of equity-settled share-based payments	-	-	-	-	-	-	-	-	-	32,045	-	32,045	-	32,045
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(11,464)	(11,464)
Dividends recognised as distribution (note 9)	-	-	4,572	-	-	-	-	-	-	-	(465,211)	(460,639)	-	(460,639)
Exercise of share options and vested of restricted shares	38	(3,926)	35,187	-	-	-	-	-	-	(25,568)	-	5,731	-	5,731
Recognition of equity-settled share-based payment in a subsidiary (note 22)	-	-	-	-	-	-	-	-	-	134	-	134	234	368
Treasury stock	-	-	(15,610)	-	-	-	-	-	-	-	-	(15,610)	-	(15,610)
At 30 June 2025 (unaudited)	116,307	4,149,159	(358,500)	276,199	87,931	1,073,376	430,651	(3,436)	385,948	324,803	15,365,239	21,847,677	880,227	22,727,904

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Note:

The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the paid-in capital of subsidiaries acquired pursuant to the group reorganisation in June 2005.

The other reserve of the Group consists of: (i) contributions from the single largest shareholder Mr. Chin Jong Hwa ("Mr. Chin") in connection with the Group's acquisition of an associate from Mr. Chin pursuant to the group reorganisation, (ii) reserve arising from acquisition of additional interest in a subsidiary, (iii) revaluation reserve recognised upon acquisition of businesses from interests in joint ventures, (iv) reserve transferred from share options reserve for share options forfeited after the vesting date, and (v) contributions from the non-controlling shareholders in subsidiaries.

As stipulated by the relevant laws and regulations for foreign investment enterprise in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiaries. The amount and basis of allocation are decided by its respective board of directors annually. The statutory surplus reserve fund can be used to make up its prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion funds are also appropriated out of profit after taxation of the statutory financial statements of the PRC subsidiaries subject to the approval by its respective board of directors annually, for the use of development and expanding the capital base of the PRC subsidiaries.

The financial instruments measured at fair value through other comprehensive income ("FVTOCI") reserve represents the changes in fair value of bill receivables which was measured as debt instruments at FVTOCI in the condensed consolidated financial statements.

On 21 August 2024, the board of directors of the Company announced its intention to exercise its powers under the general mandate to repurchase up to 116,199,359 shares of the Company, representing 10% of the total number of issued shares as at the date of the annual general meeting on 31 May 2024 (the "Repurchase Mandate"). Such repurchase will be conducted in the open market from time to time, in accordance with prevailing market conditions, and a maximum amount of HK\$500,000,000 of the Repurchase Mandate will be used. The actual repurchase price for each share shall be no more than 5% higher than the average closing market price for the Shares over the five trading days immediately preceding each repurchase. During the current interim period, the Group repurchased a total of 886,000 shares at an aggregate cost amounting to RMB15,610,000.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
NET CASH FROM OPERATING ACTIVITIES	2,236,847	1,730,626
NET CASH (USED IN) FROM INVESTING ACTIVITIES:		
Proceeds from redemption of other financial assets and derivative financial instruments	2,587,271	4,833,907
Investment in other financial assets and derivative financial instruments	(2,478,108)	(4,826,957)
Receipt of government subsidies related to assets	185,751	45,739
Interest received	91,885	305,529
Dividends received from joint ventures	25,731	19,494
Proceeds on disposal of property, plant and equipment	21,005	11,376
Proceeds on disposal of other intangible assets	–	88
Proceeds on disposal of right-of-use assets	15,430	–
Placement of pledged bank deposits and time deposits	(879,801)	(340,179)
Withdrawal of pledged bank deposits and time deposits	1,359,307	1,076,061
Payment for right-of-use assets	–	(110)
Purchases of property, plant and equipment	(902,056)	(1,093,223)
Consideration received for the disposal of an associate	–	4,104
Net cash inflow arising on settlement of consideration receivable in respect of disposal of a subsidiary in prior period	–	2,160
Repayment from an associate	–	1,879
Acquisition of a subsidiary, net of cash acquired	33,945	–
Loan to associates	(36,511)	–
Purchases of other intangible assets	(84,776)	(8,851)
Acquisition of financial assets at fair value through profit or loss	(100,038)	–
	(160,965)	31,017

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
NET CASH (USED IN) FINANCING ACTIVITIES:		
Repayment of borrowings	(11,593,004)	(15,756,237)
Dividends paid to owners of the Company	(460,639)	–
Dividends paid to non-controlling shareholders	(11,464)	–
Interest paid	(178,888)	(276,864)
New borrowings raised	11,912,264	15,607,615
Payment on repurchase shares as treasury stock	(15,610)	–
Repayment of long-term liability due within one year	(800,000)	–
Repayment of lease liabilities	(7,710)	(12,088)
Proceeds from exercise of share options	5,731	–
	(1,149,320)	(437,574)
Net increase in cash and cash equivalents	926,562	1,324,069
Cash and cash equivalents at the beginning of the period	2,440,779	4,165,305
Effect of foreign exchange rate changes	45,362	13,876
Cash and cash equivalents at the end of the period	3,412,703	5,503,250

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. BASIS OF PREPARATION

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

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standard (“HKFRS”) Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2024.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3A. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

	Six months ended 30 June 2025 (unaudited)		
	Automobile body parts RMB'000	Moulds RMB'000	Total RMB'000
Types of goods			
Sales of goods	11,634,570	652,399	12,286,969
Geographical markets			
The PRC	4,007,449	298,824	4,306,273
Other countries	7,627,121	353,575	7,980,696
Total	11,634,570	652,399	12,286,969

	Six months ended 30 June 2024 (unaudited)		
	Automobile body parts RMB'000	Moulds RMB'000	Total RMB'000
Types of goods			
Sales of goods	10,116,844	973,570	11,090,414
Geographical markets			
The PRC	4,057,626	468,259	4,525,885
Other countries	6,059,218	505,311	6,564,529
Total	10,116,844	973,570	11,090,414

All the revenue of the Group has been recognised at a point in time.

Information about the Company's revenue was presented on the ultimate geographical delivery destinations of the customers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3B. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

For the six months ended 30 June 2025 (unaudited)

	Battery-housing RMB'000	Plastic RMB'000	Metal & Trim RMB'000	Aluminum RMB'000	Others RMB'000	Elimination RMB'000	Consolidated RMB'000
Segment revenue	3,581,923	2,867,481	2,660,040	2,469,038	1,669,679	(961,192)	12,286,969
Segment profit	824,188	749,299	748,193	805,449	350,670	(4,739)	3,473,060
Investment income							107,686
Other unallocated income and gains and losses							200,383
Unallocated expenses							(2,043,059)
Interest expenses							(178,487)
Share of results of joint ventures							21,845
Share of results of associates							(10,816)
Profit before tax							1,570,612
Income tax expense							(251,428)
Profit for the period							1,319,184

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

For the six months ended 30 June 2024 (unaudited)

	Battery- housing RMB'000	Plastic RMB'000	Metal & Trim RMB'000	Aluminum RMB'000	Others RMB'000	Elimination RMB'000	Consolidated RMB'000
Segment revenue	2,390,969	2,842,566	2,541,801	2,372,380	1,515,748	(573,050)	11,090,414
Segment profit	492,139	684,735	675,522	829,707	440,083	39,451	3,161,637
Investment income							190,648
Other unallocated income and gains and losses							191,968
Unallocated expenses							(1,988,227)
Interest expenses							(290,690)
Share of results of joint ventures							21,439
Share of results of associates							(14,082)
Profit before tax							1,272,693
Income tax expense							(196,031)
Profit for the period							1,076,662

4. INVESTMENT INCOME

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Interest on bank balance	106,529	190,037
Interest on loan receivables	1,157	611
Total	107,686	190,648

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. OTHER INCOME

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Government grants (note i)	46,908	94,663
Tax incentives	34,041	43,009
Service and consultation income (note ii)	13,656	26,055
Sales of scrap and raw materials (note iii)	18,099	17,486
Property rental income, net of outgoings	8,329	7,018
Others	4,179	18,270
Total	125,212	206,501

Notes:

- (i) The amounts represent the various subsidies granted by the PRC local government authorities to group entities as incentives for their good performance in quality control or environmental protection, or involvement in the hi-tech know-how industry and product development activities. The government grants were unconditional and had been approved by the PRC local government authorities.
- (ii) The Group provides certain maintenance, repairing and technical consultation services to customers, which are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. As a practical expedient, the Group has not disclosed the information of unsatisfied performance obligation since the performance obligation has an original expected duration of one year or less. The amounts shown in note 5 for the period have been offset by the relevant costs for service and consultation income of RMB2,174,000 (for the six months ended 30 June 2024: RMB3,650,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

- (iii) Revenue for sales of scrap and raw materials is recognised when control of the materials has been transferred to the buyer, being at the point the goods are delivered to the buyer. As a practical expedient, the Group has not disclosed the information of unsatisfied performance obligation since the performance obligation has an original expected duration of one year or less. The amounts shown in note 5 for the period have been offset by the relevant costs for sales of scrap and raw materials of RMB182,829,000 (for the six months ended 30 June 2024: RMB151,117,000).

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Net foreign exchange (losses)gains	(23,385)	22,977
Losses on disposal of property, plant and equipment	(10,452)	(5,934)
Impairment loss recognised on property, plant and equipment	(32,117)	(5,548)
Gains(Losses) on fair value changes of derivative financial instruments	101,964	(23,542)
Gain on fair value changes of other financial assets at fair value through profit or loss ("FVTPL")	34,007	5,819
Gain on disposal of an associate	–	1,026
Gain on bargain purchase recognised in acquisition of a subsidiary (note)	27,452	–
Others	(3,238)	5,222
Total	94,231	20

Note:

During the current interim period, the Group entered into an agreement with the shareholder of a joint venture of the Group, to acquire the remaining 50% interest in the joint venture. Upon the completion of the equity transfer, the Group recognised a gain on bargain purchase of RMB27,452,000 as the fair value of the net assets acquired is higher than the consideration, and the joint venture becomes the wholly owned subsidiary of the Group.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Current tax:		
PRC Enterprise Income Tax	246,130	168,922
Other jurisdictions	54,443	26,983
	300,573	195,905
Over provision in prior years:		
PRC Enterprise Income Tax	(6,723)	(7,320)
Deferred tax:		
Current period	(42,422)	7,446
	251,428	196,031

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The Group is operating in certain jurisdictions where the Pillar Two Rules is effective. The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions. While such new rules introduce complexity into the Group's calculation of income tax expense, the Group has recognised a current tax expense related to the Pillar Two Rules for the six months ended 30 June 2025. Due to the novelty and complexity of Pillar Two, the Group continues to monitor for advancements and further guidance on Pillar Two rules, considering impacts of such developments on its tax expense.

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Directors' remuneration	5,156	2,435
Other staff's salaries and allowances	2,232,596	2,071,901
Other staff's related welfares and benefits	156,930	137,039
Other staff's retirement benefits scheme contributions	164,654	130,166
Other staff's share-based payments	29,787	15,392
Total staff costs	2,589,123	2,356,933
Depreciation of property, plant and equipment	788,380	678,216
Depreciation of right-of-use assets	21,318	23,509
Amortisation of other intangible assets	23,056	24,426
Amortisation of contract costs	9,582	7,324
Total depreciation and amortisation	842,336	733,475
Cost of inventories recognised	8,813,909	7,928,777
Write-down of inventories	51,301	39,926
Reversal of inventories provision	(4,629)	(162)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. DIVIDENDS

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Dividends recognised as distribution during the period:		
2024 Final dividend – HK\$0.435 (2023: Final dividend – Nil) per share	465,211	–

On 25 June 2025, a dividend of HK\$0.435 per share was paid to shareholders as the final dividend for 2024 (No dividend was paid to shareholders as the final dividend for 2023).

The Directors of the Company have determined that no dividend will be proposed in respect of the interim period for both current and last period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

10. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Earnings		
Earnings for the purpose of calculating basic earnings per share	1,276,562	1,068,192
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	(55)	—
Earnings for the purpose of calculating diluted earnings per share	1,276,507	1,068,192

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025 (Unaudited) '000	2024 (Unaudited) '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (note i)	1,139,903	1,150,474
Effect of dilutive share options and restricted shares (note ii)	5,433	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	1,145,336	1,150,474

Notes:

- (i) The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted by the number of unvested ordinary shares held by the trustee for the 2020 Share Award Scheme and the number of shares repurchased as of 30 June 2025.
- (ii) Certain outstanding share options of the Company have not been included in the computation of diluted earnings per share neither for the six months ended 30 June 2025 nor for the six months ended 30 June 2024 as they did not have dilutive effect on the Company's earnings per share because the exercise prices of these options were higher than the average market prices of the Company's shares during the current and prior interim period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND OTHER INTANGIBLE ASSETS

During the current interim period, the Group spent RMB902,056,000 (RMB1,093,223,000 for the six months ended 30 June 2024) on the construction of the manufacturing plant and acquisitions of plant and machinery in the PRC, the United States of America, Thailand, Britain, Czech Republic, Germany, Mexico, Poland, Japan, France, Korea, Canada and Republic of Serbia, in order to upgrade its manufacturing capabilities.

During the current and last interim period, due to the change of business plan, the management of the Group identified certain idle machineries and equipment while the Group assessed that they had no alternative plan to use them since these assets were all customised machineries and equipment for its certain customers. Accordingly, the Group recognised an impairment in respect of these idle machineries and equipment in full with carrying amounts of RMB32,117,000 (RMB5,548,000 for the six months ended 30 June 2024) during the current interim period.

During the current interim period, the Group entered into several new lease agreements with lease terms ranged from 1 to 30 years. The Group is required to make fixed monthly payments and additional variable payments depending on the usage of the assets during the contract period. On lease commencement, the Group recognised right-of-use assets of RMB19,292,000 (for the six months ended 30 June 2024: RMB15,232,000) and lease liabilities of RMB19,292,000 (for the six months ended 30 June 2024: RMB15,232,000).

During the current interim period, no new land use rights were acquired in the PRC, therefore, none of right-of-use assets (for the six months ended 30 June 2024: RMB110,000) in respect of newly obtained land use right located in the PRC was recognised by the Group.

During the current interim period, the Group spent RMB84,776,000 (RMB8,851,000 for the six months ended 30 June 2024) on the software and patent in the PRC, in order to upgrade its digital manufacturing capabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Trade receivables		
– Associates	10,725	11,515
– Joint ventures	5,890	10,671
– Other related parties*	1,071	810
– Third parties	5,822,193	5,420,359
Less: Allowance for credit losses	(78,013)	(58,755)
	5,761,866	5,384,600
Bills receivables	–	559
Other receivables	170,325	157,035
Less: Allowance for credit losses	–	–
	170,325	157,035
	5,932,191	5,542,194
Prepayments to suppliers	1,100,278	895,439
Utility and rental prepayments	26,550	37,158
Prepaid value-added tax recoverable and refundable	853,570	829,000
Interest receivable	186,870	172,226
Total trade and other receivables	8,099,459	7,476,017

* The companies are those in which Mr. Chin and his family have control.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The Group normally grants a credit period of 60 days to 90 days to customers effective from the invoice date. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Age		
0-90 days	4,864,348	4,783,627
91-180 days	675,899	429,407
181-365 days	173,564	125,932
1-2 years	44,417	38,202
Over 2 years	3,638	7,432
	5,761,866	5,384,600

13. CONTRACT ASSETS

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Moulds development	1,423,800	1,300,783
Less: Allowance for credit losses	(13,136)	(8,016)
	1,410,664	1,292,767
Analyzed for reporting purposes as:		
Current	301,588	289,026
Non-current	1,109,076	1,003,741
	1,410,664	1,292,767

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The contract assets are in relation to the Group's rights to consideration for moulds development work which are fully completed and accepted by the customers but not billed yet. The contract assets are transferred to trade receivables at the time the rights to consideration become unconditional as stipulated in the relevant contracts.

14. IMPAIRMENT ASSESSMENT ON FINANCIAL ASSETS AND OTHER ITEMS SUBJECT TO EXPECTED CREDIT LOSSES ("ECL") MODEL

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Impairment losses recognised (reversed) in respect of		
Trade receivables	19,060	15,221
Other receivables	–	(668)
	19,060	14,553

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Listed equity investments	309,634	204,217
– Equity shares in a PRC A share listed entity (note i)	293,249	189,542
– Equity shares in a non-PRC listed entity (note ii)	16,385	14,675
Structured deposit (note iii)	1,114,196	1,060,669
	1,423,830	1,264,886
Analyzed for reporting purposes as:		
Current	293,249	189,542
Non-current	1,130,581	1,075,344
	1,423,830	1,264,886

Notes:

As at 30 June 2025 and 31 December 2024, the financial asset at FVTPL held by the Group are composed of:

- (i) The above listed equity investments represent ordinary shares of an entity listed in PRC A share stock market which are held for trading and measured at fair value through profit or loss. During the current interim period, the Group made an additional investment of RMB100,039,000 on the entity.
- (ii) The above listed equity investments represent ordinary shares of an entity listed in Finland NASDAQ HELSINKI ("NASDAQ") stock market which is established in Finland and primarily engaged in producing and sales of nano-material. The Group continuously measures such shares at fair value through profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

- (iii) During the year ended 31 December 2024, the Group entered into structured deposit agreements with two banks with an amount of USD150,000,000 (equivalent to approximately RMB1,073,015,000). The Group continuously measures such deposit at fair value through profit or loss, and gain on fair value changes of USD4,865,000 (equivalent to approximately RMB30,338,000) were recognized during the current interim period.

Details of the fair value measurement of the financial assets at FVTPL are set out in Note 26.

16. DERIVATIVE FINANCIAL ASSETS/DERIVATIVE FINANCIAL LIABILITIES

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Derivative financial assets		
Foreign exchange forward contracts (a)	2,375	–
Foreign exchange structural option contracts (b)	788	1,671
Cross-currency swap contracts (c)	–	19,987
Interest rate swap contracts (d)	203	763
Forward commodity contracts (e)	812	–
	4,178	22,421
Derivative financial liabilities		
Foreign exchange forward contracts (a)	7,347	–
Foreign exchange structural option contracts (b)	4,108	5,994
Cross-currency swap contracts (c)	11,322	28,637
Forward commodity contracts (e)	810	–
	23,587	34,631

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Analysed for reporting purposes as:		
Current assets	4,178	21,558
Non-current assets	–	863
	4,178	22,421
Current liabilities	23,587	20,577
Non-current liabilities	–	14,054
	23,587	34,631

Notes:

a. Foreign exchange forward contracts

As of 30 June 2025, the Group had a number of outstanding foreign exchange forward contracts. Derivative financial assets of RMB2,375,000 (31 December 2024: Nil), and derivative financial liabilities of RMB7,347,000 (31 December 2024: Nil) have been recognised in accordance with the fair value of the above foreign exchange forward contracts, respectively.

b. Foreign exchange structural option contracts

As of 30 June 2025, the Group had a number of foreign exchange structural option contracts. Derivative financial assets of RMB788,000 (31 December 2024: RMB1,671,000), and derivative financial liabilities of RMB4,108,000 (31 December 2024: RMB5,994,000) have been recognised in accordance with the fair value of the above options contracts, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

c. Cross-currency swap contracts

As of 30 June 2025, the Group had a number of cross-currency swap contracts. Derivative financial assets of nil balance (31 December 2024: RMB19,987,000), and derivative financial liabilities of RMB11,322,000 (31 December 2024: RMB28,637,000) have been recognised in accordance with the fair value of the above cross-currency swap contracts, respectively.

d. Interest rate swap contracts

As of 30 June 2025, the Group had a number of interest rate swap contracts. Derivative financial assets of RMB203,000 (31 December 2024: RMB763,000) have been recognised in accordance with the fair value of the above interest rate swap contracts.

e. Forward commodity contracts

As of 30 June 2025, the Group had a number of forward commodity contracts. Derivative financial assets of RMB812,000 (31 December 2024: Nil) and derivative financial liabilities of RMB810,000 (31 December 2024: Nil) have been recognised in accordance with the fair value of the above forward commodity contracts, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

17. TRADE AND OTHER PAYABLES

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Trade payables		
– Associates	17,365	25,494
– Joint ventures	67,742	60,973
– Other related parties*	3,662	11,986
– Third parties	4,499,543	3,886,885
	4,588,312	3,985,338
Bills payables	865,079	868,761
Other payables		
– Associates	33	61
– Joint ventures	525	395
– Non-controlling shareholders of subsidiaries	1,768	2,528
– Other related parties*	817	843
	3,143	3,827
	5,456,534	4,857,926
Payroll and welfare payables	656,772	808,094
Consideration payable for acquisition of property, plant and equipment	517,303	560,130
Technology support services fees payable	11,466	11,804
Freight and utilities payable	137,740	119,140
Other tax payable	72,536	114,168
Deposits received	5,743	9,012
Dividend payables	17,936	17,936
Others	934,981	762,159
Total trade and other payables	7,811,011	7,260,369

* The companies are those in which Mr. Chin and his family have control.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Age		
0-90 days	3,694,327	3,220,295
91-180 days	581,411	486,325
181-365 days	218,048	199,883
1-2 years	80,963	67,045
Over 2 years	13,563	11,790
	4,588,312	3,985,338

18. BORROWINGS

During the current interim period, the Group obtained new borrowings amounting to RMB11,912,264,000 (RMB15,607,615,000 for the six months ended 30 June 2024). The loans bear interest at variable market rates and fixed rates. The proceeds were used to provide additional working capital for the Group. Repayments of borrowings amounting to RMB11,593,004,000 (RMB15,756,237,000 for the six months ended 30 June 2024) were made during the current interim period in line with the relevant repayment terms.

In respect of non-current bank loans with carrying amount of RMB292,616,000 as at 30 June 2025 (31 December 2024: RMB925,143,000), the Group is required to comply with certain financial covenants which are tested on an annual basis as long as the loans are outstanding.

The Group has complied with these covenants at each test date before the end of the reporting period end and classified the related bank loans balance as non-current liabilities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2024 (audited), 30 June 2024 (unaudited), 1 January 2025 (audited) and 30 June 2025 (unaudited)	5,000,000	500,000
	Number of shares '000	Share capital RMB'000
Issued and fully paid:		
As at 1 January 2024 (audited), 30 June 2024 (unaudited) and 1 January 2025 (audited)	1,161,994	116,269
Exercise of share options	409	38
At 30 June 2025 (unaudited)	1,162,403	116,307

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

20. DEFERRED INCOME

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Government grants received		
– non-current liabilities	43,918	20,069

21. OTHER LONG-TERM LIABILITIES DUE WITHIN ONE YEAR

During the year ended 31 December 2020, the Group entered into an agreement with a local government agency in the PRC, who agreed to inject capital contribution amounting to RMB117,000,000 into Qingyuan Minth Automobile Parts Co., Ltd.* (清遠敏實汽車零部件有限公司) (“Qingyuan Minth”), a subsidiary of the Group. Pursuant to the capital injection agreement, the local government agency would not participate in Qingyuan Minth’s operation and management. The local government agency would enforce the right requiring the Group, and the Group is obligated, to redeem the capital injection from local government agency within five years after the receipt of the capital, together with interest calculated based on the below-market interest rate stipulated in the agreement. Therefore, the capital injection made by the local government agency is treated as a long-term liability. The difference between the present value of the long-term liability based on the expected repayment term and its principal amount is accounted for as government grant and recorded as deferred income. As at 30 June 2025, the carrying amount of this long-term liability together with the interest payable is RMB120,779,000 (31 December 2024: RMB118,076,000), which will be due within one year as disclosed in “Other long-term liabilities due within one year”.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

During the year ended 31 December 2019, the Group entered into an agreement with local government funds in the PRC to establish a partnership Jiaxing Minth Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興敏實定向股權投資合夥企業（有限合夥）) (“Jiaxing Partnership”) with an operation period of 5 years, whose only investment target is Jiaxing Minhua Automotive Parts Co., Ltd.* (嘉興敏華汽車零部件有限公司) (“Jiaxing Minhua”), a subsidiary of the Group. Pursuant to the agreement, the local government funds would contribute capital amounting to RMB800,000,000 into the Jiaxing Partnership. The local government funds would neither participate in Jiaxing Partnership’s nor Jiaxing Minhua’s operation and management. The local government funds would require the Group and the Group is obligated to redeem RMB800,000,000 of the capital contributed by the local government funds together with interest calculated based on the market interest rate, no later than the expiry of the operation period of Jiaxing Partnership. The interest could be recognised as a reduction of interest expenses incurred under the terms of the agreement when certain conditions are fulfilled during the operation period of Jiaxing Partnership. During the year ended 31 December 2022, the Group had met certain conditions stipulated in the agreement under which corresponding government subsidies have been recognised as a reduction of interest expenses incurred. The Group treated the capital contribution by the local government funds together with interest payable as a long-term liability and measures corresponding interest payable on its best estimate. During the current interim period, the Group has repaid the capital contribution from the local government funds amounting to RMB800,000,000 while the interest payable amounting to RMB93,000,000 is still outstanding and under negotiation in respect of the settlement method. Therefore, such balance of RMB93,100,000 (31 December 2024: RMB893,100,000) was disclosed in “Other long-term liabilities due within one year”.

* The English names are for identification purposes only.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

22. SHARE-BASED PAYMENTS

Share options

The Company adopted a share option scheme (the “2005 Share Option Scheme”) pursuant to a resolution passed on 13 November 2005 for the primary purpose of providing incentives to directors and eligible employees, the term of the 2005 Share Option Scheme was 10 years. The 2005 Share Option Scheme has been terminated and replaced by a new share option scheme, which was approved in the annual general meeting held on 22 May 2012 and will be valid for 10 years from the date of its adoption (the “2012 Share Option Scheme”). The 2012 Share Option Scheme has been expired in May 2022, and replaced by a new share option scheme, which was approved in the annual general meeting held on 31 May 2022 and will be valid for 10 years from the date of its adoption (the “2022 Share Option Scheme”).

The Group has granted a series of share options in 2007, 2008, 2011, 2012, 2014, 2015, 2018, 2020 and 2024 under the 2005 Share Option Scheme, the 2012 Share Option Scheme and the 2022 Share Option Scheme, respectively. For details, please refer to the relevant published announcements of the Company.

During the prior interim period, the Group granted 30,000,000 share options to certain directors of the Company and employees of the Group under the 2022 Share Option Scheme on 2 May 2024 with the weighted average fair value at the grant date of HK\$4.28 per share option, pursuant to which, 30% of the granted options can be exercised on or after 5 May 2025, an additional 30% of the granted options can be exercised on or after 5 May 2026 and the remaining 40% of granted options can be exercised on or after 5 May 2027, at the exercise price of HK\$14.30 per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The table below discloses movement of the Company's share options held by the grantees:

	Number of share options
Outstanding as at 1 January 2024 (audited)	19,047,000
Granted during the period	30,000,000
Exercised during the period	–
Forfeited during the period	(538,200)
Outstanding as at 30 June 2024 (unaudited)	48,508,800

	Number of share options
Outstanding as at 1 January 2025 (audited)	47,450,600
Granted during the period	–
Exercised during the period	(409,400)
Forfeited during the period	(827,200)
Outstanding as at 30 June 2025 (unaudited)	46,214,000

The Binomial model had been used to estimate the fair value of a series of share options granted under the 2022 Share Option Scheme. The variables and assumptions used in computing the fair value of the share options were based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

During the current interim period, the weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$21.13 (During the six months ended 30 June 2024, no options were exercised).

The Group recognised the total expenses of RMB25,523,000 for the current interim period (RMB10,430,000 for the six months ended 30 June 2024) in relation to share options granted by the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

Restricted shares of the Company

The Company adopted a share award scheme (the “Scheme”) on 28 July 2020, of which the purpose is to recognise the contributions by certain eligible participants (the “Scheme Participants”) and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Pursuant to the Scheme, the Board of Directors shall select the Scheme Participants and determine the number of shares to be awarded (the “Restricted Shares”). An independent trustee appointed by the Board (the “Trustee”) shall purchase from the market such number of issued ordinary shares to be awarded as specified by the Board.

In September 2020, the Group has purchased 8,520,000 issued ordinary shares from the market through the trustee with the consideration amounted to approximately HK\$251,265,000 (equivalent to approximately RMB222,075,000). In March 2022, the Group has purchased additional 3,000,000 issued ordinary shares from the market through the trustee, the consideration for which amounted to approximately HK\$57,944,000 (equivalent to approximately RMB46,731,000). These ordinary shares are held in trust for the relevant Scheme Participants until such shares are vested with the Scheme Participants in accordance with the provisions of the Scheme. Pursuant to the Scheme, in any event, the aggregate number of Shares held by the trustee (whether directly or indirectly through other controlled corporations) as a whole would not exceed 2% of the issued share capital of the Company at any time (on an actual basis as well as on a fully diluted basis).

As of 30 June 2025, the Group has issued two batches of restricted shares in accordance with the Scheme.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

i) Restricted Shares 2021

On 29 March 2021, the Board resolved to approve the initial grant of 3,000,000 Restricted Shares ("Restricted Shares 2021") under the Scheme to the Scheme Participants at the grant price of zero per Restricted Share, and vest over a four-year period that each 50% of the awards vesting on the anniversary of the grant date in 36 and 48 months, respectively.

The fair value of Restricted Shares 2021 with service conditions or performance conditions is based on the fair market value of the underlying ordinary shares on the date of grant, taking into account the terms and conditions upon which the shares were granted.

As of 30 June 2025, the vesting period for the Restricted Shares 2021 had expired. Since certain participants resigned or failed to meet performance targets, 1,339,450 restricted shares were vested, while the remaining shares were forfeited.

ii) Restricted Shares 2025

On 22 January 2025, the Board resolved to approve the grant of 895,000 Restricted Shares ("Restricted Shares 2025") under the Scheme to the Scheme Participants at the grant price of zero per Restricted Share with the vesting period of one year.

The fair value of Restricted Shares 2025 with service conditions is based on the share price of the underlying ordinary shares on the date of grant, taking into account the terms and conditions upon which the shares were granted.

The closing price of the Company's shares immediately before the date of grant was HK\$16.00.

The fair values of the Restricted Shares 2025 determined at the date of grant were HK\$16.00.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The table below discloses movement of the Company's Restricted Shares activity held by the Group's directors and employees:

	Number of Restricted Stocks
Restricted shares 2021	
Outstanding as at 1 January 2024 (audited)	2,258,000
Forfeited during the period	(45,000)
Outstanding as at 30 June 2024 (unaudited)	2,213,000

	Number of Restricted Stocks
Restricted shares 2021	
Outstanding as at 1 January 2025 (audited)	2,032,000
Granted during the period	–
Vested during the period	(1,339,450)
Forfeited during the period	(692,550)
Outstanding as at 30 June 2025 (unaudited)	–

	Number of Restricted Stocks
Restricted shares 2025	
Outstanding as at 1 January 2025 (audited)	–
Granted during the period	895,000
Outstanding as at 30 June 2025 (unaudited)	895,000

The Group recognised the total expenses of RMB6,522,000 for the current interim period (RMB4,411,000 for the six months ended 30 June 2024) in relation to restricted share units granted by the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

Restricted shares of United Alloy-Tech. (BVI) Company LTD.

United Alloy-Tech. (BVI) Company LTD. ("UATC"), a subsidiary of the Group announced a share award scheme (the "UATC Scheme") on 8 June 2022, of which the purpose is to recognise the contributions by corresponding eligible participants (the "UATC Scheme Participants") and to provide them with incentives in order to retain them for the continual operation and development of UATC.

Pursuant to the UATC Scheme, UATC shall issue new 1,500,000 ordinary shares with nominal value of New Taiwan Dollar 10. The Board of UATC Directors shall select the UATC Scheme Participants and determine the number of shares to be awarded (the "UATC Restricted Shares"). On 20 September 2022, the Board of UATC resolved to issue 1,500,000 new shares and approve the grant of corresponding shares to the UATC Scheme Participants at the grant price of zero per Restricted Share, and vest over a three-year period that 30%, 30% and 40% of the awards vesting on the first, second and third anniversary of the grant date, respectively.

The fair value of Restricted Shares with service conditions or performance is based on the share price of the underlying ordinary shares on the date of grant, taking into account the terms and conditions upon which the shares were granted.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The following table summarised the UATC's Restricted Shares activity for the current interim period:

	Number of Restricted Stocks
Outstanding as at 1 January 2024 (audited)	1,082,800
Granted during the period	–
Vested during the period	–
Forfeited during the period	(170,800)
Outstanding as at 30 June 2024 (unaudited)	912,000

	Number of Restricted Stocks
Outstanding as at 1 January 2025 (audited)	1,064,530
Granted during the period	–
Vested during the period	–
Forfeited during the period	(216,580)
Outstanding as at 30 June 2025 (unaudited)	847,950

UATC recognised the total expenses of RMB368,000 for the current interim period (RMB995,000 for the six months ended 30 June 2024) in relation to restricted share units granted.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

23. COMMITMENTS

As at the end of current interim period, the Group's capital expenditure commitment is shown below:

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
Acquisition of property, plant and equipment	406,547	468,437

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

24. RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Save as disclosed elsewhere, the Group has the following significant transactions with related/connected parties during the period:

Relationship with related/ connected party	Nature of transactions	Six months ended 30 June	
		2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Joint ventures, in which the Group has a 30%, 50% and 51% equity interests	Sales of raw materials	1,380	3,817
	Sales of finished goods	14,138	17,779
	Sales of moulds	246	139
	Purchases of raw materials	31,053	19,763
	Purchases of finished goods	103,505	90,279
	Purchases of moulds	667	2,141
	Other operating expense	541	722
	Property rentals income	4,096	3,806
	Property rentals expense	634	–
	Other operating income	6,089	4,652
	Proceeds from disposal of property, plant and equipment	2,626	1,295
	Consulting services income	3,355	2,169
Associates, in which the Group has a 10%, 30%, 35%, 40% and 49% equity interests	Sales of finished goods	8	3
	Sales of raw materials	1,405	–
	Purchases of raw materials	34,473	28,500
	Purchases of moulds	–	212
	Purchases of finished goods	2,581	–
	Property rentals income	3,336	1,309
	Other operating income	6,487	6,995
Companies in which Mr. Chin and his family have control	Other operating expense	–	74
	Sales of raw materials	–	30
	Sales of finished goods	–	328
	Purchases of raw materials	868	505
	Purchases of finished goods	4,525	1,761
	Property rentals expenses	4,836	1,691
	Property rentals income	3	–
	Technology support services charge	343	3,053
	Other operating income	1,740	1,206
	Other operating expense	15,588	7,955
	Purchases of property, plant and equipment	78	182
	Proceeds from disposal of property, plant and equipment	–	109

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

The directors represented that they considered the above transactions were carried out in the Group's ordinary and usual course of business and in accordance with the term of agreements governing these transactions.

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2025 (Unaudited) RMB'000	2024 (Unaudited) RMB'000
Short-term benefits	3,441	2,877
Post-employment benefits	23	24
Share-based payments	2,952	451
	6,416	3,352

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

25. PLEDGE OF OR RESTRICTIONS ON ASSETS

Pledge of assets

The Group's certain borrowings and bill payables had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	At 30 June 2025 (Unaudited) RMB'000	At 31 December 2024 (Audited) RMB'000
Pledged bank deposits	545,537	617,274
Pledged debt instruments at FVTOCI	14,778	6,932
Pledged property, plant and equipment	22,466	21,546
Pledged right-of-use assets	6,034	6,093
	588,815	651,845

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and input(s) used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 2 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are quoted prices (unadjusted) in active market for identical assets or liabilities;

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

- Level 2 fair value measurements are those derived from 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
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	30 June 2025 (unaudited)	Fair value as at 31 December 2024 (audited)	Fair value hierarchy	Basis of fair value measurement/valuation technique(s) and key input(s)
1) Foreign exchange forward contracts	Assets – RMB2,375,000 Liabilities – RMB7,347,000	N/A	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2) Interest rate swaps contracts	Assets – RMB203,000	Assets – RMB763,000	Level 2	Discounted cash flow. Future cash flows are estimated based on applicable yield curves derived from quoted interest rates and contracted interest rates on each maturity date and contracted forward interest rate at the end of the final maturity date, discounted at a rate that reflects the credit risk of various counterparties.
3) Cross-currency swap contracts	Liabilities – RMB11,322,000	Assets – RMB19,987,000 Liabilities – RMB28,637,000	Level 2	Discounted cash flow. Future cash flows are estimated based on applicable yield curves derived from quoted interest rates, contracted interest rates on each maturity date and forward exchange rate and contracted forward rate at the end of the final maturity date, discounted at a rate that reflects the credit risk of various counterparties.
4) Forward commodity contracts	Assets – RMB812,000 Liabilities – RMB810,000	N/A	Level 3	Discounted cash flow, and the key parameters used include risk-free rate, volatility, time to maturity and the settlement price at the delivery date.
5) Debt instruments at FVTOCI	Assets – RMB334,688,000	Assets – RMB314,881,000	Level 2	Discounted cash flow. Future cash flows are estimated based on discount rate observed in the available market.
6) Foreign exchange structural option contracts	Assets – RMB788,000 Liabilities – RMB4,108,000	Assets – RMB1,671,000 Liabilities – RMB5,994,000	Level 3	Fair value is derived using binomial tree computation method. The key parameters used include forward exchange rates (from observable forward exchange rate at the end of the reporting period), contracted exchange rates, discount rate, risk-free rate, time to maturity, and volatility.
7) Financial assets at FVTPL	Assets – RMB309,634,000	Assets – RMB204,217,000	Level 1	Calculated based on active market quoted transaction price.
8) Financial assets at FVTPL	Assets – RMB1,114,196,000	Assets – RMB1,060,669,000	Level 3	Discounted at a rate that reflects the credit risk and volatility. Future cash flows are estimated based on estimated return.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

Reconciliation of Level 3 fair value measurement:

	Assets			Liabilities	
	Foreign exchange structural option contracts RMB'000	Financial assets at FVTPL RMB'000	Forward commodity contracts RMB'000	Foreign exchange structural option contracts RMB'000	Forward commodity contracts RMB'000
Balance as at 1 January					
2024 (audited)	–	29,578	–	(67)	–
Fair value changes	2,499	5,819	–	(2,664)	–
Settlements	–	(6,000)	–	67	–
Exchange adjustments	–	(217)	–	–	–
Balance as at 30 June					
2024 (unaudited)	2,499	29,180	–	(2,664)	–
Balance as at 1 January					
2025 (audited)	1,671	1,060,669	–	(5,994)	–
Fair value changes	788	30,338	812	(4,108)	(810)
Settlements	(1,671)	–	–	5,994	–
Exchange adjustments	–	23,189	–	–	–
Balance as at 30 June					
2025 (unaudited)	788	1,114,196	812	(4,108)	(810)

Of the total gains or losses for the period included in profit or loss, unrealised gain of RMB27,020,000 (six months ended 30 June 2024: unrealised gain of RMB5,654,000) relates to foreign exchange structural option contracts and financial assets at FVTPL held at the end of the current interim period. Fair value gains or losses on foreign exchange structural option contracts and financial assets at FVTPL are included in “other gains and losses”.