SINOTRUK (HONG KONG) LIMITED
中國重汽（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 03808)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS

The Board is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2025 together with the comparative figures for the corresponding period last year as follows:

Consolidated Statement of Profit or Loss
For the six months ended 30 June 2025 - unaudited
(All amounts in RMB thousands unless otherwise stated)

		Six months ended 30 June	
	Notes	**2025**	2024
Revenue	4	**50,878,062**	48,823,239
Cost of sales		**(43,216,438)**	(41,664,507)
Gross profit		**7,661,624**	7,158,732
Other income and gains		**608,827**	681,215
Selling and distribution expenses		**(1,741,837)**	(1,524,577)
Administrative expenses		**(2,365,954)**	(2,348,630)
Reversal of impairment losses on financial assets, net		**17,611**	71,176
Other expenses		**(59,334)**	(11,753)

Consolidated Statement of Profit or Loss (continued)

For the six months ended 30 June 2025 - unaudited

(All amounts in RMB thousands unless otherwise stated)

	Notes	Six months ended 30 June	
		2025	2024
Profit from operation		**4,120,937**	4,026,163
Finance income		**247,681**	153,966
Finance costs		**(45,477)**	(67,453)
Finance income, net		**202,204**	86,513
Share of profits less losses of associates		**46,771**	47,627
Profit before tax	5	**4,369,912**	4,160,303
Income tax	6	**(650,212)**	(561,763)
Profit for the period		**3,719,700**	3,598,540
Attributable to:			
Equity shareholders of the Company		**3,426,906**	3,294,302
Non-controlling interests		**292,794**	304,238
Profit for the period		**3,719,700**	3,598,540
Earnings per share	7		
Basic		**1.25**	1.20
Diluted		**1.25**	1.20

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025 - unaudited

(All amounts in RMB thousands unless otherwise stated)

	Six months ended 30 June	
	2025	2024
Profit for the period	**3,719,700**	3,598,540
Other comprehensive income (after tax):		
Items that will not be reclassified to profit or loss:		
Remeasurements of termination and post-employment benefit obligations	**1,053**	(12,989)
Items that are or may be reclassified subsequently to profit or loss:		
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	**(15,809)**	2,592
Exchange differences on translation of foreign operations	**(555)**	3,962
Share of other comprehensive income of associates	**3,856**	(566)
	(12,508)	5,988
Other comprehensive loss for the period, net of tax	**(11,455)**	(7,001)
Total comprehensive income for the period	**3,708,245**	3,591,539
Attributable to:		
Equity shareholders of the Company	**3,418,440**	3,289,568
Non-controlling interests	**289,805**	301,971
Total comprehensive income for the period	**3,708,245**	3,591,539

Consolidated Statement of Financial Position
As at 30 June 2025 - unaudited
(All amounts in RMB thousands unless otherwise stated)

	Notes	**At 30 June 2025**	At 31 December 2024
Non-current assets			
Property, plant and equipment		**15,216,550**	15,424,218
Investment properties		**621,722**	959,931
Right-of-use assets		**2,237,773**	2,254,683
Goodwill		**68,933**	68,933
Intangible assets		**130,280**	131,464
Investments in associates		**5,084,829**	1,571,718
Equity investments designated at FVOCI		**17,446**	17,446
Trade and financing receivables	9	**6,186,823**	5,671,189
Prepayments, other receivables and other assets		**13,074,594**	11,102,862
Deferred tax assets		**2,314,318**	2,147,381
Total non-current assets		**44,953,268**	39,349,825
Current assets			
Inventories		**11,870,371**	11,639,705
Trade, financing and bills receivables	9	**31,321,627**	27,296,320
Prepayments, other receivables and other assets		**14,386,898**	17,089,452
Financial assets at FVOCI	10	**12,556,495**	5,176,003
Financial assets at fair value through profit or loss (“FVPL”)		**10,211,756**	10,145,642
Cash and cash equivalents and restricted cash		**14,945,262**	19,080,075
Total current assets		**95,292,409**	90,427,197
Current liabilities			
Trade and bills payables	11	**60,427,266**	53,071,538
Other payables and accruals		**18,718,934**	18,831,147
Borrowings		**6,222,207**	5,232,139
Lease liabilities		**3,209**	3,413
Tax payable		**505,224**	312,730
Provisions		**1,508,956**	1,603,683
Total current liabilities		**87,385,796**	79,054,650
Net current assets		**7,906,613**	11,372,547
Total assets less current liabilities		**52,859,881**	50,722,372

	Notes	**At 30 June 2025**	At 31 December 2024
Non-current liabilities			
Borrowings		**429,805**	465,682
Lease liabilities		**6,466**	3,779
Deferred tax liabilities		**82,507**	38,835
Termination and post-employment benefit obligations		**424,375**	450,503
Deferred income		**643,785**	611,173
Total non-current liabilities		**1,586,938**	1,569,972
Net assets		**51,272,943**	49,152,400
Equity attributable to equity shareholders of the Company			
Share capital		**16,717,024**	16,717,024
Other reserves		**3,801,197**	3,762,445
Retained earnings		**22,703,807**	20,681,047
Total equity attributable to equity shareholders of the Company		**43,222,028**	41,160,516
Non-controlling interests		**8,050,915**	7,991,884
Total equity		**51,272,943**	49,152,400

Notes to the unaudited interim results

(All amounts in RMB thousands unless otherwise stated)

1 General information

The Company was incorporated in Hong Kong on 31 January 2007 as a limited liability company as a result of a group reorganisation of CNHTC. The address of the Company's registered office is Units 2102-03, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange.

The Group is principally engaged in the research, development and manufacturing of heavy duty trucks, medium-heavy duty trucks, light duty trucks, etc. and related key assemblies, parts and components including engines, cabins, axles, steel frames and gearboxes, and the provision of financial services.

2 Basis of preparation

The interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim Financial Reporting*.

The interim financial information is unaudited, but has been reviewed by KPMG 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 ("**HKICPA**").

The financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2024.

The financial information relating to the year ended 31 December 2024 that is included in the interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered those financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditors have reported on those financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

3 Accounting policies

The accounting policies adopted in the preparation of the interim financial information are consistent with those applied in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new and amended Hong Kong Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

3.1 Amended standards adopted by the Group

The Group has applied the amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to this interim results for the current accounting period. The amendments do not have a material impact on this interim financial information as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

4 Operating segment information

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

(i) Heavy duty trucks – Manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components;

(ii) Light duty trucks and others – Manufacture and sale of light duty trucks, buses, etc. and related components;

(iii) Engines – Manufacture and sale of engines, gearboxes and related parts; and

(iv) Finance – Provision of deposit taking, borrowings, bills discounting, issue of bills and entrustment loans to the members of the Group and members of CNHTC and its subsidiaries excluding the Group ("CNHTC Group") as well as the provision of auto and supply chain financing services to the public.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources among segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of prepaid income tax, deferred tax assets and other corporate assets. Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities do not include borrowings and other liabilities that are incurred for financing rather than operating purposes unless the segment is engaged in financing activities. Segment liabilities exclude deferred tax liabilities, income tax payable, dividend payable and other corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

(b) **Reconciliations of reportable segment revenues, profit or loss, assets and liabilities**

The segment results for the six months ended 30 June 2025 are as follows:

	Six months ended 30 June 2025					
	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Elimination	Total
External revenue						
Sales of goods	43,474,779	6,146,464	311,603	—	—	49,932,846
Rendering of services	333,154	11,961	61,691	—	—	406,806
Provision of financing services	—	—	—	538,410	—	538,410
Total external revenue	43,807,933	6,158,425	373,294	538,410	—	50,878,062
Inter-segment revenue	420,946	1,093,289	7,202,998	52,308	(8,769,541)	—
Total segment revenue	44,228,879	7,251,714	7,576,292	590,718	(8,769,541)	50,878,062
Operating profit/(loss) before unallocated expenses	2,631,880	(173,511)	1,377,638	294,001	(4,561)	4,125,447
Unallocated expenses						(4,510)
Operating profit						4,120,937
Finance income, net						202,204
Share of profits of associates						46,771
Profit before tax						4,369,912

The segment results for the six months ended 30 June 2024 are as follows:

	Six months ended 30 June 2024					
	Heavy duty trucks	**Light duty trucks and others**	**Engines**	**Finance**	**Elimination**	**Total**
External revenue						
Sales of goods	41,720,851	5,791,754	260,455	—	—	47,773,060
Rendering of services	317,237	9,813	34,882	—	—	361,932
Provision of financing services	—	—	—	688,247	—	688,247
Total external revenue	42,038,088	5,801,567	295,337	688,247	—	48,823,239
Inter-segment revenue	475,093	971,805	6,747,592	63,200	(8,257,690)	—
Total segment revenue	42,513,181	6,773,372	7,042,929	751,447	(8,257,690)	48,823,239
Operating profit/(loss) before unallocated expenses	2,540,482	(126,365)	1,249,236	348,871	39,589	4,051,813
Unallocated expenses						(25,650)
Operating profit						4,026,163
Finance income, net						86,513
Share of profits of associates						47,627
Profit before tax						4,160,303

The segment assets and liabilities as at 30 June 2025 are as follows:

	30 June 2025					
	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Segment assets	**97,000,873**	**18,262,193**	**19,165,762**	**42,843,016**	**5,976,759**	**183,248,603**
Elimination						**(43,002,926)**
Total assets						**140,245,677**
Segment liabilities	**74,050,689**	**17,568,232**	**8,959,240**	**33,497,792**	**2,188,093**	**136,264,046**
Elimination						**(47,291,312)**
Total liabilities						**88,972,734**

Reconciled to entity assets and liabilities as at 30 June 2025 as follows:

	30 June 2025	
	Assets	**Liabilities**
Segment assets/liabilities after elimination	**134,268,918**	**86,784,641**
Unallocated:		
Deferred tax assets/liabilities	**2,314,318**	**82,507**
Prepaid income tax/income tax payable	**103,451**	**505,224**
Dividend payable	**—**	**1,402,640**
Other assets/liabilities	**3,558,990**	**197,722**
	5,976,759	**2,188,093**
Total	**140,245,677**	**88,972,734**

The segment assets and liabilities as at 31 December 2024 are as follows:

	31 December 2024					
	Heavy duty trucks	Light duty trucks and others	Engines	Finance	Unallocated	Total
Segment assets	88,340,510	15,792,338	20,842,659	53,860,683	3,438,075	182,274,265
Elimination						(52,497,243)
Total assets						129,777,022
Segment liabilities	61,824,941	14,980,254	10,086,472	44,934,858	555,249	132,381,774
Elimination						(51,757,152)
Total liabilities						80,624,622

Reconciled to entity assets and liabilities as at 31 December 2024 as follows:

	31 December 2024	
	Assets	**Liabilities**
Segment assets/liabilities after elimination	126,338,947	80,069,373
Unallocated:		
Deferred tax assets/liabilities	2,147,381	38,835
Prepaid income tax/income tax payable	103,451	312,730
Other assets/liabilities	1,187,243	203,684
	3,438,075	555,249
Total	129,777,022	80,624,622

5 Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	**2024**
Cost of inventories sold	**39,324,560**	37,831,992
Employee benefit expenses	**3,457,934**	2,901,696
Depreciation and amortisation		
– Depreciation of property, plant and equipment	**906,593**	816,439
– Depreciation of right-of-use assets	**34,270**	39,782
– Amortisation of intangible assets	**17,372**	19,986
Write-down of inventories to net realisable value	**146,046**	287,473
Impairment losses/(reversal of impairment losses)		
– trade receivables	**3,779**	(95,375)
– financing receivables	**(6,957)**	16,601
– bills receivable	**(1,479)**	(3,376)
– financial assets included in prepayments, other receivables and other assets	**(12,954)**	11,119
– the off-balance sheet credit business	**—**	(145)
– property, plant and equipment	**88,346**	11,125
Gains on disposal of property, plant and equipment	**(996)**	(30,644)
Foreign exchange differences, net	**(166,462)**	(157,475)
Government grants	**(89,517)**	(126,926)
Income on disposal of scraps	**(72,151)**	(42,688)

6 Income tax

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2025	**2024**
Current tax:		
– Mainland China	**778,356**	669,071
– Elsewhere	**9,748**	1,877
Total current tax	**788,104**	670,948
Deferred tax	**(137,892)**	(109,185)
Total tax charge	**650,212**	561,763

Taxation on profits has been calculated on the estimated assessable profits during the six months ended 30 June 2025 at the rates of taxation prevailing in the countries/districts in which the Group operates.

The Company and the subsidiaries in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2024: 16.5%) on their estimated assessable profits during the period. The Company is also determined as a Chinese-resident enterprise and, is subject to corporate income tax at a rate of 25% (2024: 25%) according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law").

The subsidiaries in the PRC are subject to corporate income tax at a rate of 25% (2024: 25%) according to the CIT Law while certain subsidiaries in the PRC are subject of corporate income tax at a rate of 15% (2024: 15%) according to the High New Tech Enterprises or the Western Development tax incentives the CIT Law. Other oversea subsidiaries are subject to corporate income tax at applicable tax rates according to existing laws, interpretations and practices of the countries in which the subsidiaries operate.

7 Earnings per share

(a) Basic earnings per share

	Six months ended 30 June	
	2025	**2024**
Profit attributable to equity shareholders of the Company	**3,426,906**	3,294,302
Weighted average number of ordinary shares in issue (in thousand shares)	**2,734,473**	2,750,561
Basic earnings per share (RMB per share)	**1.25**	1.20

The movements in weighted average number of ordinary shares in issue are as follows:

	2025	**2024**
Ordinary shares at 1 January (in thousand shares)	**2,734,473**	2,760,993
Effect of shares purchased (in thousand shares)	**—**	(10,432)
Weighted average number of ordinary shares for the six months ended 30 June (in thousand shares)	**2,734,473**	2,750,561

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares after adjusting for award shares, calculated as follows:

	Six months ended 30 June	
	2025	**2024**
Profit attributable to ordinary equity shareholders of the Company	**3,426,906**	3,294,302
Weighted average number of ordinary shares in issue (in thousand shares)	**2,742,429**	2,751,681
Diluted earnings per share (in RMB)	**1.25**	1.20

Profit attributable to ordinary equity shareholders of the Company (diluted) is same as profit attributable to ordinary equity shareholders of the Company (basic).

The movements in weighted average number of ordinary shares in issue (diluted) are as follows:

	2025	**2024**
Weighted average number of ordinary shares at 30 June (in thousand shares)	**2,734,473**	2,750,561
Effect of deemed issue of shares under the Company's restricted award share scheme at subscription price	**7,956**	1,120
Weighted average number of ordinary shares (diluted) at 30 June (in thousand shares)	**2,742,429**	2,751,681

8 Dividends

(i) Dividends payable to equity shareholders attributable to the interim period

	2025	2024
Interim dividend declared and paid after the interim period of HK$0.74 or RMB0.68 per ordinary share (2024: HK$0.72 or RMB0.66 per ordinary share)	**1,877,475***	1,820,012

The interim dividend has not been recognized as a liability at the end of the reporting period.

* It is calculated based on the number of ordinary share issued at the proposed RMB interim dividend per ordinary share.

(ii) Dividends payable to equity shareholders attributive to the previous financial year

	2025	2024
Final dividend approved and paid after the interim period of HK$0.55 or RMB0.51 per ordinary share (2023 final dividend: HK$1.063 or RMB0.965 per ordinary share)	**1,404,146**	2,665,812

9 Trade, financing and bills receivables

	At 30 June 2025	At 31 December 2024
Trade receivables	**22,402,769**	18,105,088
Provision for impairment	**(1,002,739)**	(1,005,925)
Trade receivables, net (a)	**21,400,030**	17,099,163
Financing receivables	**16,648,415**	16,034,406
Provision for impairment	**(665,878)**	(672,835)
Financing receivables, net (b)	**15,982,537**	15,361,571
Bills receivable	**126,682**	509,053
Provision for impairment	**(799)**	(2,278)
Bills receivable, net (c)	**125,883**	506,775
	37,508,450	32,967,509
Current portion		
Trade receivables	**20,715,322**	16,911,270
Financing receivables	**10,480,422**	9,878,275
Bills receivable	**125,883**	506,775
	31,321,627	27,296,320
Non-current portion		
Trade receivables	**684,708**	187,893
Financing receivables	**5,502,115**	5,483,296
	6,186,823	5,671,189

(a) Trade receivables

The sales policy of the Group generally requires its customers to pay a certain amount of deposits when orders of trucks are made and to settle purchase price in cash, on credit or by acceptance bills before delivery of trucks. A credit period from 3 to 12 months is granted to selected customers based on credit assessment. Trade receivables are non-interest-bearing.

As at 30 June 2025, approximately RMB4,164,705,000 (31 December 2024: approximately RMB3,185,262,000) of the trade receivables are secured by letters of credit issued by certain overseas third parties. As at 30 June 2025, approximately RMB3,139,348,000 (31 December 2024: approximately RMB3,197,228,000) of the trade receivables were guaranteed by China Export and Credit Insurance Corporation.

An ageing analysis of the trade receivables based on the invoice date at the end of the reporting period, net of the provision for impairment, is as follows:

	At 30 June 2025	**At 31 December 2024**
Less than 3 months	**12,431,837**	10,141,700
3 months to 6 months	**4,954,611**	3,393,871
6 months to 12 months	**3,296,391**	2,682,900
1 year to 2 years	**595,975**	592,159
2 years to 3 years	**85,017**	56,239
Over 3 years	**36,199**	232,294
	21,400,030	17,099,163

(b) Financing receivables

An ageing analysis of the financing receivables based on the maturity date at the end of the reporting period, net of provisions, is as follows:

	At 30 June 2025	At 31 December 2024
Less than 3 months	**3,063,318**	2,824,224
3 months to 6 months	**2,862,845**	2,825,575
6 months to 12 months	**4,554,258**	4,228,476
1 year to 2 years	**4,621,107**	4,778,028
2 years to 3 years	**858,676**	705,268
Over 3 years	**22,333**	—
	15,982,537	15,361,571

(c) Bills receivable

Bills receivable are financial asset at amortised cost and held for the purpose of collection of contractual cash flows.

	At 30 June 2025	At 31 December 2024
Bank acceptance bills	**13,498**	166,404
Commercial acceptance bills	**113,184**	342,649
Provision for impairment of commercial acceptance bills	**(799)**	(2,278)
	125,883	506,775

The ageing analysis of bills receivable based on transaction dates at the end of the reporting period, net of provisions, is as follows:

	At 30 June 2025	At 31 December 2024
Less than 3 months	**57,918**	467,779
3 months to 6 months	**45,615**	36,362
6 months to 12 months	**22,350**	2,634
	125,883	506,775

10 Financial assets at fair value through other comprehensive income

	At 30 June 2025	At 31 December 2024
Debt investments		
– bank acceptance bills	**12,556,495**	5,176,003

The ageing analysis of bank acceptance bills based on transaction dates at the end of the reporting period is as follows:

	At 30 June 2025	At 31 December 2024
Less than 3 months	**6,647,369**	3,848,630
3 months to 6 months	**4,532,337**	1,131,758
6 months to 12 months	**1,376,789**	195,615
	12,556,495	5,176,003

11 Trade and bills payables

	At 30 June 2025	At 31 December 2024
Trade payables	**38,463,172**	31,311,451
Bills payable	**21,964,094**	21,760,087
	60,427,266	53,071,538

An ageing analysis of the trade and bills payables based on the invoice date as at the end of the reporting period is as follows:

	At 30 June 2025	At 31 December 2024
Less than 3 months	**39,250,310**	35,482,863
3 months to 6 months	**18,165,068**	15,653,016
6 months to 12 months	**2,587,861**	1,650,614
1 year to 2 years	**290,471**	180,217
2 years to 3 years	**47,878**	41,209
Over 3 years	**85,678**	63,619
	60,427,266	53,071,538

12. Events after the reporting period

No significant subsequent event takes place after the reporting period.

Dividends

The Board has declared to distribute to Shareholders whose names appear on the register of members of the Company on Tuesday, 16 September 2025 an interim dividend of either HK$0.74 or RMB0.68 per Share (converted at the exchange rate of RMB0.91299 to HK$1 as published by the PBOC on Wednesday, 27 August 2025) for the six months ended 30 June 2025 (the "2025 Interim Dividend") with a sum of approximately HK$2,043 million or RMB1,877 million. The 2025 Interim Dividend will be distributed on Thursday, 20 November 2025.

A 2025 RMB Interim Dividend election form will be despatched to the Shareholders. Shareholders who wish to receive the 2025 Interim Dividend in RMB have to complete the form and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 October 2025.

The Company has been determined as a Chinese-resident enterprise. Pursuant to the "Enterprise Income Tax Law of the PRC"《中華人民共和國企業所得稅法》and the "Detailed Rules for the Implementation of the Enterprise Income Tax Law of the PRC"《中華人民共和國企業所得稅法實施條例》, a Chinese-controlled offshore incorporated enterprise shall withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders. As the withholding and payment obligation lies with the Company, the Company will withhold and pay enterprise income tax for its non-PRC resident enterprise shareholders to whom the Company pays the 2025 Interim Dividend.

In respect of all the Shareholders whose names are not registered as natural persons (including HKSCC Nominees Limited, corporate nominees or trustees such as securities companies and banks, and other entities or organizations, which are all considered as non-PRC resident enterprise shareholders), the Company will distribute the 2025 Interim Dividend after deducting an enterprise income tax of 10% or other appropriate rates.

Investors who invest in Shares through the Shanghai Stock Exchange or the Shenzhen Stock Exchange in the PRC (the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect investors), whether natural persons or enterprises, are investors who hold the Shares through HKSCC Nominees Limited, and in accordance with the above requirements, the Company will pay to HKSCC Nominees Limited the amount of the 2025 Interim Dividend after withholding for payment the 10% enterprise income tax.

The Company will not withhold and pay the income tax in respect of the 2025 Interim Dividend payable to PRC resident enterprise shareholders, exempted entities or any natural person shareholders.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement of the Shareholders to the 2025 Interim Dividend, the register of members of the Company will be closed from Thursday, 11 September 2025 to Tuesday, 16 September 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to receive the 2025 Interim Dividend, holders of the Shares must lodge their Share certificates together with the relevant Share transfer documents with Computershare Hong Kong Investor Services Limited, the share registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 10 September 2025.

MANAGEMENT DISCUSSION AND ANALYSIS - OPERATION REVIEW

MARKET REVIEW

TRUCKS MARKET

In the first half of the year, the Chinese government adhered to the general principle of seeking progress while maintaining stability and coordinated domestic economic work with international economic and trade engagements, effectively implementing more proactive and impactful macro policies. The national economy forged ahead amidst challenges, maintaining overall stable operations with qualitative improvements. New quality productive forces expanded significantly, high-quality development advanced steadily, key economic indicators demonstrated robust performance, and overall social stability was sustained. China's GDP grew by 5.3% YoY in the first half of the year. The total value added of industrial enterprises above the designated size grew by 6.4% YoY. The national investment in fixed assets (excluding rural households) grew by 2.8% YoY, the investment in manufacturing grew by 7.5%. China's economy continues to develop steadily, showing strong resilience and vitality.

During the Period, the Ministry of Transport, the National Development and Reform Commission, and the Ministry of Finance issued the Notice on Implementing the Retirement and Renewal of Obsolete Commercial Trucks (《關於實施老舊營運貨車報廢更新的通知》), which promoted the retiring and renewal of old "National IV" emission standard commercial vehicles and effectively stimulated the domestic commercial vehicle market, leading to sustained improvement within the commercial vehicle industry. For the heavy duty truck industry, firstly, the cost-effectiveness of new energy heavy duty trucks has become increasingly prominent, with the sales volume increased by 185.9% YoY and the market penetration reached approximately 22.8%, both sales volume and market penetration continuing to climb; secondly, with the improvement of brand awareness of heavy duty trucks in China, the export market demand remains strong and the export sales volume has reached a record high. According to statistics from CAAM, the sales of heavy duty trucks reached approximately 539,200 units in the first half of the year, representing an increase of 6.88% YoY, of which export sales accounted for 155,600 units, representing an increase of 2.69% YoY. The light duty truck industry overall displayed characteristics of a rebound in total volume alongside structural adjustments. Firstly, consumption continues to serve as the primary engine for economic growth, with total retail sales of consumer goods rising 5% YoY, thereby providing strong support for light duty truck sales growth; secondly, new energy light duty truck sales maintained rapid growth momentum, with the sales volume increased by approximately 100.31% YoY and the market penetration reached approximately 23.4%. According to statistics from CAAM, the sales of light duty trucks reached approximately 1,035,800 units, representing an increase of 6.69% YoY.

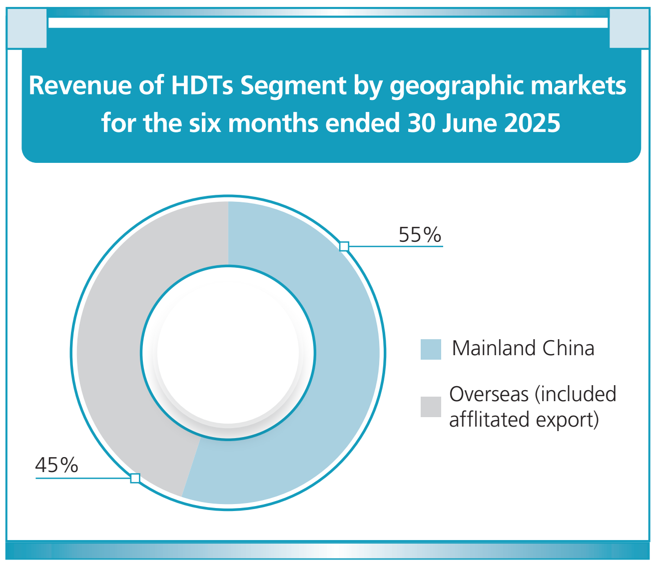
FINANCING MARKET

During the Period, the Chinese government continued to implement the loan prime rate (LPR) mechanism. One-year LPR was lowered once and five-year LPR was lowered once. As at 30 June 2025, one-year LPR was 3.0% while five-year LPR was 3.5%.

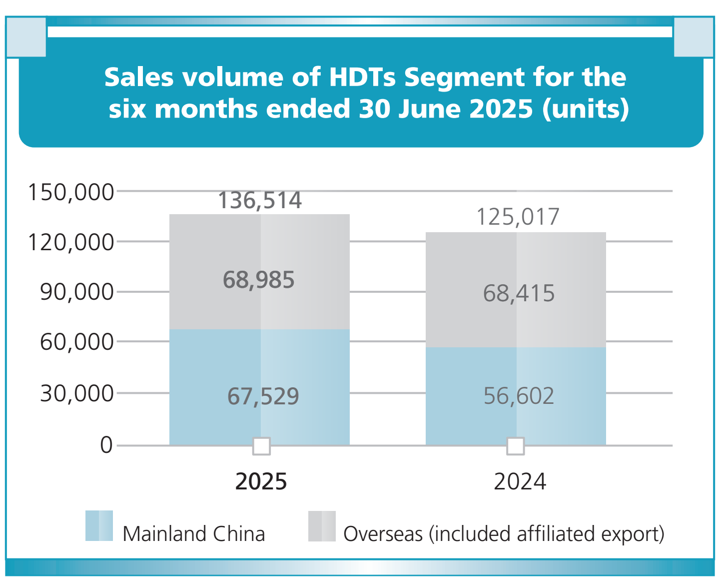
OPERATION REVIEW

HDTS SEGMENT

The total revenue from the HDTs Segment was RMB44,229 million, representing an increase of 4.0% YoY. The HDTs Segment's Operating Profit Margin was 6%, same as that of the Previous Period.



During the Period, the Group sold 136,514 HDTs, representing an increase of 9.2% YoY.



DOMESTIC BUSINESS

During the Period, the Group's domestic HDTs revenue (excluding affiliated export revenue) was RMB24,158 million, representing an increase of 11.7% YoY. Details of the reconciliation of overseas revenue to HDTs affiliated export revenue are set out in the "International Business" section below.

During the Period, the Group sold 67,529 HDTs in the PRC, representing an increase of 19.3% YoY.

The Group has benefited firstly from sustained market-driven reforms and optimized product portfolio adjustments, which have progressively enhanced core product competitiveness and brand influence; secondly, its strategic focus on deepening market penetration in key segments, deploying precision-driven marketing strategies, and implementing an innovative end-to-end marketing model. Despite mounting competitive pressure, these initiatives secured breakthrough performance in prioritized target markets.

In the market of tractor trucks, the Group reinforced major customers development by formulating tailored marketing plans and product strategies centered on major customers' needs, achieving an 8.3% YoY market share increase in express tractor trucks to claim the industry's top position while maintaining market shares leadership in both the 500+ horsepower 15L gas tractor truck market and port container tractor trucks operations.

15L gas tractor truck

In the market of cargo trucks, the Group focused on key provinces, and was consistently optimizing product portfolios, strengthening core networks, and expanding fleet partnerships, with 4×2 six-cylinder cargo trucks gaining 5.1 percentage points YoY in market share, ranking the forefront of the industry, while 4×2 six-cylinder refrigerated trucks gained the top market share in the industry.

4×2 six-cylinder cargo truck

In the market of special vehicles, the Group continuously enhanced product performance, maintaining industry leadership by achieving a 6 percentage point YoY growth of market share in high-end special vehicle market including fire trucks, pumper trucks and oil field trucks.

Fire fighting truck

In the new energy market, the Group comprehensively deployed various solutions covering charging, battery replacement and fuel cells, seized industry demand opportunities, and speeded up across the whole new energy track, with sales volume increasing by 220.33% YoY and a market share of 11.84%. Among them, the market share of new energy muck dump trucks ranks first in the industry.

New energy muck dump truck

The Group continued to optimize its dealers' network, improving standards of network development and access and retirement standards, and strengthening the core network construction, which significantly enhanced the comprehensive strength of dealership network. As at 30 June 2025, there were more than 430 dealerships selling the Group's HDT products, with more than 1,200 service centers offering high-quality aftersales services and more than 100 truck refitting services enterprises offering refitting services in the PRC.

INTERNATIONAL BUSINESS

During the Period, the HDTs affiliated export revenue amounted to RMB20,071 million, representing a decrease of 3.9% YoY.

Reconciliation of overseas revenue to HDTs affiliated export revenue:

	2025 RMB million	2024 RMB million
Overseas revenue	**19,343**	18,908
Affiliated export revenue	**2,409**	3,270
Total affiliated export revenue	**21,752**	22,178
Less: Other affiliated export revenue	**(1,681)**	(1,294)
HDTs affiliated export revenue	**20,071**	20,884

During the Period, the volume of HDTs affiliated export was 68,985 HDTs, representing an increase of 0.8% YoY.

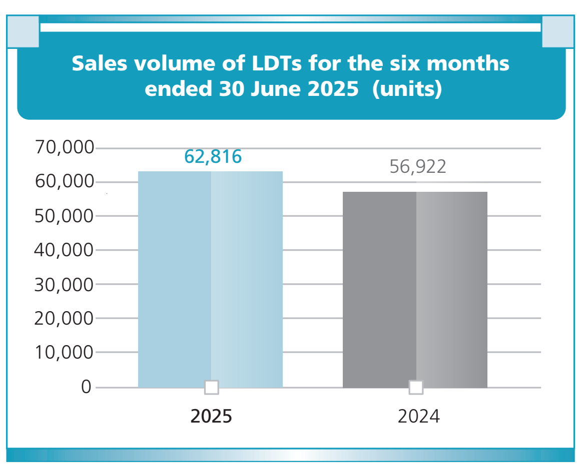
In the first half of the year, the global economic and trade uncertainties intensified amid escalating geopolitical tensions and trade protectionism, resulting in pronounced regional divergence. As international recognition of Chinese heavy duty trucks continued to grow, competition among Chinese manufacturers in overseas markets was aggravated. The Group continuously increased its global expansion initiatives, with heavy duty truck export volumes for the same period having achieved a record high while maintaining undisputed leadership in China's heavy duty truck export industry.

During the Period, the Group continued to consolidate its traditional markets and consistently expanded into emerging markets by firstly, focusing on core markets such as Africa and Southeast Asia to stabilize the foundation; secondly, increasing investment in premium and strategic markets, achieving rapid growth in Saudi Arabia and Morocco; thirdly, systematically upgrading product with sustained growth in high-end product sales; fourthly, accelerating aftermarket business development through enhanced overseas platform construction and after-sales service system optimization, with its overseas support capabilities further strengthened.

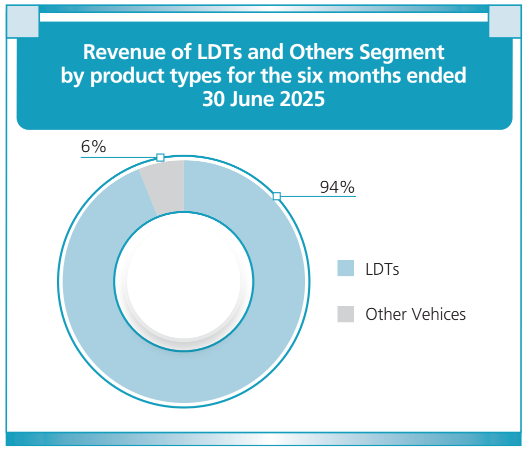
As at 30 June 2025, the Group established 80 overseas representative offices and working offices, developed over 200 dealerships and established 29 overseas cooperative KD plants in more than 110 countries, forming an international marketing network largely covering developing countries and major emerging economies in Africa, the Middle East, Central and South America, Commonwealth of Independent States as well as Southeast Asia, as well as some mature markets including BRICS and Australia.

LDTs and Others Segment

During the Period, the total revenue from the LDTs and Others Segment was RMB7,252 million, representing an increase of 7.1% YoY. The Operating Loss Margin of the LDTs and Others Segment was 2.4%, representing an increase of 0.5 percentage points as compared to the Previous Period. The Group sold 62,816 LDTs, representing an increase of 10.4% YoY.



The major product of the LDTs and Others Segment is LDT, of which revenue accounted for approximately 94% of the total revenue during the Period of this segment, while other products of the segment included buses, pickup trucks and other vehicles.



During the Period, firstly, the Group seized the "National IV" retirement and replacement opportunities, achieving incremental growth in key regions with models such as G5X, G5X PRO, and long-wheelbase LDTs. Secondly, it implemented targeted competitive strategies for products across different horsepower segments, further solidifying its leading position in the traditional fuel vehicle market. Thirdly, the Group focused on developing niche segments such as fresh produce transport and logistics, increasing its market share in the stake truck segment by 4.8 percentage points YoY and maintaining its industry leadership.

Trucks for fresh produce transport and logistics

In the new energy market, the Group's LDT sales grew by 110.3% YoY. Firstly, the Group accelerated layout of terminal retail, major customers, and channel self-holding models; secondly, the Group diversified product portfolio tailored to urban delivery, intercity transport, heavy-duty applications, green passage cold chain logistics, and yellow-green license plate scenarios, and promoted strategic products; thirdly, the Group also strengthened its channel infrastructure and key account development, advanced manufacturer-led leasing services, and built differentiated competitive advantages.

New energy refrigerated truck

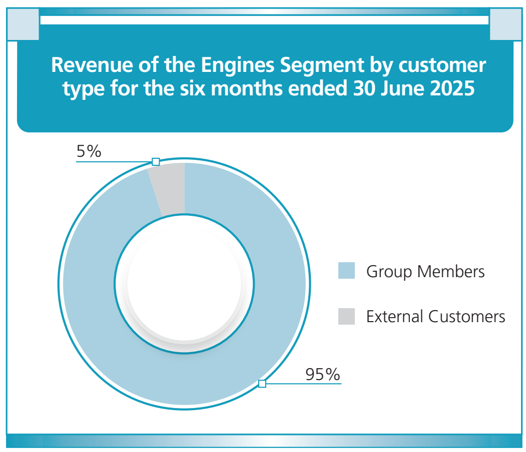
In the export market, the Group's LDT sales increased by 72% YoY and LDTs affiliated export revenue reached RMB342 million. Firstly, this growth was driven by a strategic focus on key target countries, where the Group expanded its product portfolio to establish a solid foundation for sustainable export growth. Secondly, leveraging synergies with its overseas heavy truck sales network, the Group facilitated LDTs' exports and explored new market opportunities. Thirdly, it strengthened its presence in front-line markets by enhancing network development and product localization, while building integrated capabilities in product support, after-sale service, spare parts, and team expertise.

As of 30 June 2025, the Group's domestic LDT operations were supported by over 800 dealers, more than 2,000 service centers providing after-sales support, and over 280 truck refitting services enterprises offering LDT refitting services in the PRC.

(Sources of HDTs and LDTs markets related data: end-user retail data, the Group's internal data and CAAM data)

ENGINES SEGMENT

During the Period, the Engines Segment recorded revenue of RMB7,576 million, representing an increase of 7.6% YoY, with external engine sales accounting for 4.9% of the segment's total sales, representing an increase of 0.7 percentage points YoY. The Operating Profit Margin of the Engines Segment was 18.2%, representing an increase of 0.5 percentage points YoY, driven by an increase in sales volume of engines.



During the Period, the Engines Segment sold 73,158 engines, representing an increase of 37.1% YoY.

During the Period, the Group promoted technological upgrading and iteration of its products, and significantly enhanced the core competitiveness of its products. Firstly, significant progress was made in the development of the MC05H high-efficiency engine, which incorporates advanced technologies such as a high-compression ratio combustion system, an efficient turbocharger, and low-friction design, delivering notable improvements in operational efficiency and reliability. Secondly, the Group also successfully developed the MC07 high-thermal-efficiency China VI-compliant engine, integrating next-generation combustion technology, low-friction design, and reduced auxiliary power consumption, resulting in outstanding fuel economy performance. Thirdly, the Group introduced a 7L range-extender hybrid powertrain, combining a 7L natural gas engine with a high-efficiency integrated starter generator (ISG) to achieve industry-leading electrical conversion efficiency.

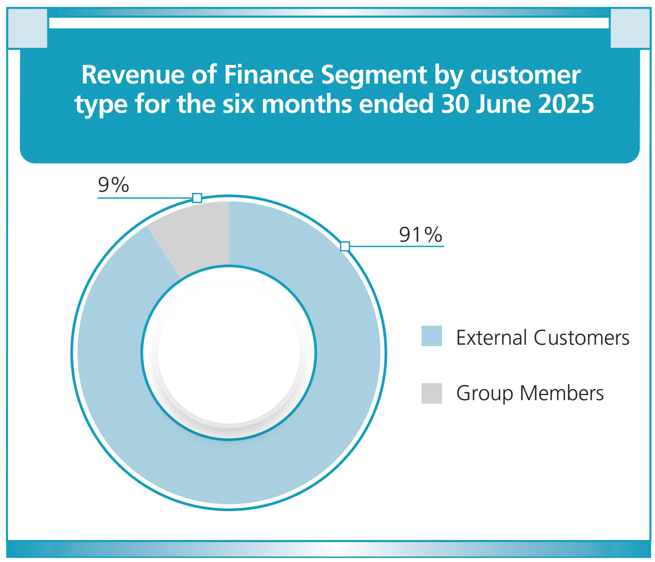
FINANCE SEGMENT

During the Period, the Group carried out a series of capital operations to optimize internal financing costs and enhance returns on external funds, while actively advancing its green finance initiatives, with loans extended to end customers for new energy vehicles surging by 560% YoY. In response to the national "Two New Policies", the Group also promoted joint loan services to further support complete truck sales.

During the Period, the revenue of the Finance Segment (including interest income and finance lease income) was RMB591 million, representing a decrease of 21.3% YoY. Revenue from external customers amounted to RMB538 million, representing a decrease of 21.8% YoY. The Operating Profit Margin of the Finance Segment was 49.7%, increased by 3.2 percentage points YoY. The decrease in income of the Finance Segment was mainly due to the gradual reduction of the operations of Sinotruk Finance Co., Ltd. which resulted in the reduction in sizes of inter-bank deposits, wealth management products and lending business while the increase in Operating Profit Margin was mainly due to the decrease in costs of financing.

Given that the Measures for the Administration of Finance Companies of Enterprise Groups (《企業集團財務公司管理辦法》) issued by the National Financial Regulatory Administration in October 2022 prescribed that one enterprise group may only have one finance company within the group, SHIG had proposed to integrate the resources of the two finance companies within its group. Subsequently, on 11 November 2024, the Board resolved that Sinotruk Finance Co., Ltd. shall undertake a voluntary liquidation (the "Voluntary Liquidation").

Sinotruk Finance Co., Ltd. currently is the only provider of Commercial Lending Services and places inter-bank deposits and purchases of wealth management products in its capacity as a finance company. Sinotruk Finance Co., Ltd. has been gradually reducing all its business including not to renew the existing lending facilities upon their expiry nor grant of any new loans, holding the short term wealth management products until expiry and disposal of long term wealth management products. The Board did not expect the Voluntary Liquidation to have any material adverse impact on the financial position and business operations of the Group.



The Finance Segment operates money lending business of the Group through the provision of Commercial Lending Services and Auto-finance Services.

The below figures in this section are stated after the elimination of intragroup transactions.

Depending on the type of the money lending business provided, the Group generally charges an interest rate that ranges from 3% to 10%. As at 30 June 2025, the principal and interest receivables of financing receivables were approximately RMB15,955 million and RMB28 million, respectively. The ageing analysis of the financing receivables based on the maturity date as at 30 June 2025 and 31 December 2024 is as follows:

RMB million	30 June 2025	31 December 2024
Less than 3 months	**3,063**	2,824
3 months to 6 months	**2,863**	2,826
6 months to 12 months	**4,554**	4,229
1 year to 2 years	**4,621**	4,778
2 years to 3 years	**859**	705
over 3 years	**23**	—
	15,983	15,362

During the Period, the reversal of the impairment of financing receivables was RMB7 million (2024: impairment made at RMB17 million) and there was no impairment losses of off-balance sheet credit business (2024: reversal of impairment loss allowance of RMB0.1 million). During the Period, no financing receivables at the had been written-off (2024: RMB37 million written-off, all from Auto-finance Services) .

As at 30 June 2025, the total provision of impairment of financing receivables amounted to RMB666 million (31 December 2024: RMB673 million) and there was no provision for impairment losses of off-balance sheet credit business (31 December 2024: nil). For details of the basis and details of impairment loss of the financing receivables, please refer to the section headed "Impairment and write-offs" below.

AUTO-FINANCE SERVICES

The borrowers of the Auto-finance Services comprise end-users or dealers of the Group's commercial vehicles who may be individuals and entities. Such borrowers are either existing customers of the Group or those referred from the CNHTC Group or the dealers of the Group's vehicles. The Auto-finance Services are further divided into auto-finance loans and finance leasing. All loans and leases are secured by guarantee deposits and/or commercial trucks being purchased, guaranteed by the borrowers (and, for those that are entities, by guarantees of their owner(s) as well), and in respect of certain borrowers, the relevant amounts are also guaranteed by the dealers. Moreover, for any loan or lease involving a large amount, further security such as properties and (additional) guarantee deposits may be required to be provided as collateral. The loans and finance leases granted under the Auto-finance Services are normally repayable within three years. As at 30 June 2025, the Finance Segment had established 23 business offices, with its business covering China, and having further improved its automotive consumer credit services.

During the Period, the revenue from the Auto-finance Services was RMB334 million, representing an increase of RMB62 million or 22.8% YoY.

As at 30 June 2025, there were less than 70,000 borrowers (31 December 2024: less than 70,000 borrowers) of Auto-finance Services and their total net outstanding receivables and interest receivable were approximately RMB15,845 million and RMB28 million (31 December 2024: approximately RMB15,045 million and RMB19 million), respectively. As at 30 June 2025, the net finance leases balance to the net loans and finance leases balance was approximately 62.3% (31 December 2024: approximately 41.4%).

As at 30 June 2025, the largest borrower and the top five borrowers of the Auto-finance Services who are all independent third parties constituted approximately 0.21% and approximately 0.70% (31 December 2024: approximately 0.15% and approximately 0.64%), respectively, of the net financing receivables of the Auto-finance Services.

During the Period, the Group sold 32,593 vehicles through Auto-finance Services, representing a decrease of 10.1% YoY.

COMMERCIAL LENDING SERVICES

The borrowers of the Commercial Lending Services comprise the CNHTC Group and its associates (as defined under the Listing Rules), dealers of the Group and suppliers of the Group and the CNHTC Group. The Commercial Lending Services not only enable the Group to gain a reasonable interest income, but also ensure stability of its industrial chain and achieve a win-win cooperation among upstream and downstream entities along such industrial chain. Loans to dealers are unsecured while loans to suppliers are secured by the pledge of receivables from suppliers of the Group and the CNHTC Group. All loans granted are repayable within one year while discount of bills (issued by banks only) shall all be matured within one year. Commercial Lending Services are carried out at the Group's headquarters in Ji'nan, PRC.

During the Period, the revenue from the Commercial Lending Services was RMB6 million, representing a decrease of RMB19 million or 76.0% YoY.

As at 30 June 2025, only the CNHTC Group remained as a borrower of the Commercial Lending Services business (31 December 2024: less than 20 borrowers) and the total net outstanding receivables and interest receivables from such borrower were RMB110 million and RMB0.1 million (31 December 2024: RMB297 million and RMB0.3 million), respectively.

As at 30 June 2025, the only borrower under the Commercial Lending Services business was the CNHTC Group (31 December 2024: the largest and the top five borrowers approximately 98.65% (being the CNHTC Group) and 99.04%, respectively, of the net financing receivables of the Commercial Lending Services business).

RISK MANAGEMENT POLICY AND KEY INTERNAL CONTROL MEASURES

Credit approval process and credit risk assessment policy

Prior to the granting of financial services to the borrowers, the relevant business units ("Business Unit(s)") of the Finance Segment will first review the application of the potential borrower, and conduct appropriate pre-loan or pre-lease checks on the potential borrower and its guarantor, which involves (a) reviewing the financial reports and statements of the potential borrower; and (b) performing an assessment on the financial condition of the potential borrower and its equity holder(s) (for entities), such as the type and value of assets owned by the potential borrower.

Depending on the type and amount of the financing services, the Business Units will assess and decide the necessity and the amount of security/collateral for the granting of each loan or lease on a case by case basis considering the factors including but not limited to the repayment history, results of public credit search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

Relevant business approval forms including but not limited to details of the amounts, repayment terms and the applicable interest rate will be prepared and the senior management of the relevant Business Unit will give final approval in respect of the relevant application and, pursuant to which, the Business Unit will execute the relevant drawdown or payment procedures.

Ongoing monitoring of loan collection and recovery

Various departments of the Business Units (principally engaged in post loan management) are involved in monitoring loan repayment and recovery. Such departments report to the risk management and operations departments on the repayment status of all loans and financing on at least a quarterly basis and report any material defaulted loans immediately upon occurrence. In addition, the Group carries out regular and/or specific inspections in respect of the financial status of the borrowers and the status of the collaterals.

The Finance Segment has also adopted a policy for loan collection/recovery, pursuant to which, depending on the status of the overdue payment, the Business Units will continuously contact the borrower via different means including by phone and on-site interviews, issuing overdue payment reminder to the borrower, and, based on the approval of the senior management of the Business Units, the Business Units may negotiate with the borrower for the repayment or settlement of the loan. Depending on the outcome of the aforesaid measures, the Business Units may also instruct legal advisers to issue formal legal demand letters or carry out formal legal proceedings for collection of loans.

Impairment and write-offs

The Finance Segment considers the provision for impairment based on the borrowers' repayment situations, current and forecast economic conditions and laws and regulations which are consistent with market practices. In compliance with the requirements set out in the Guidance on Provisioning for Bank Loan Losses (《銀行貸款損失準備計提指引》) promulgated by the PBOC, in assessing the relevant risks of loss in respect of the financing receivables and off-balance sheet credit business, the Finance Segment shall, on at least a quarterly basis, assess and classify the relevant outstanding balances into five categories depending on the credit risk. Depending on the relevant category, allowances for impairment in respect of the outstanding financing receivables will be made by the Finance Segment in accordance with the Group's internal policy, based on a provision rate ranging from 1% to 100%. Further details of the financing receivables are set out in the sections headed "NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS" and "RECEIVABLES" • "From financing activities".

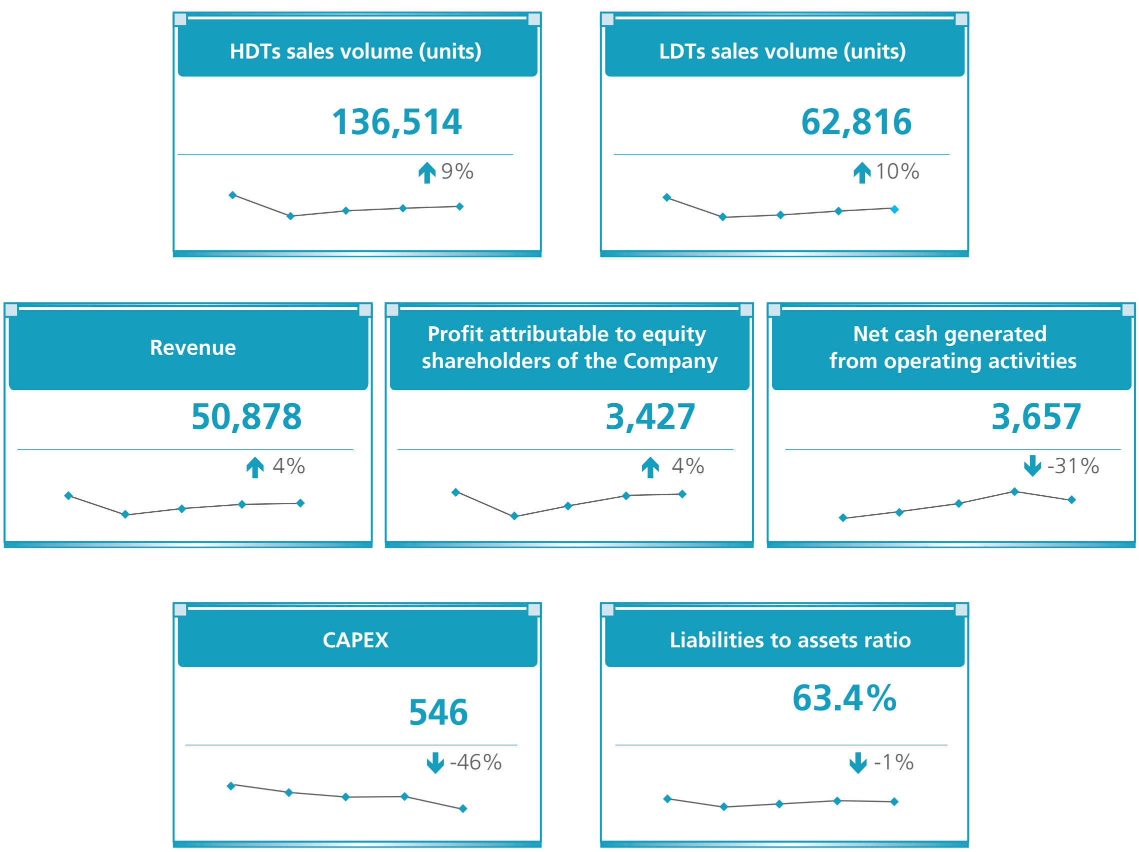
Additional Controls in respect of Continuing Connected Transactions

The provision of financing arrangements to CNHTC and its associates constitutes continuing connected transactions of the Group and such transactions are conducted in the manner as stipulated under the relevant financial services framework agreements. Additional internal control measures, including but not limited to re-confirmation before the release of new or renewal of loan or finance lease not exceeding the pre-approved caps, are implemented, so as to ensure the compliance with the requirements of the Listing Rules.

MAJOR KEY PERFORMANCE INDICATORS ("KPI")

The Directors focus on the sustainable development of the Group as a whole and on the interests of Shareholders. The Directors use financial and non-financial indicators as benchmarks to assist in evaluation and decision-making. Sales volumes and revenue of HDTs and LDTs reflect actual operating results and performance. Cash is critical to survival of the Group and net cash generated from operating activities provides insight on the Group's ability to generate cash flow from continuing operations. The gearing ratio (total liabilities divided by total assets) shows how the management balances equity financing with debt financing in maintaining the Group's liquidity. Capital expenditure ("CAPEX") provides information on the medium to long term development of the Group. Profit attributable to equity shareholders of the Company shows information on the return to Shareholders for the Period.

(All key KPIs are expressed in RMB million unless otherwise stated)



KPIs	2025	2024	2023	2022	2021
HDTs sales volume (units)	136,514	125,017	108,887	75,068	207,458
LDTs sales volume (units)	62,816	56,922	49,714	45,289	82,387
Revenue	50,878	48,823	41,371	29,028	65,169
Profit attributable to equity shareholders of the Company	3,427	3,294	2,358	1,283	3,623
Net cash generated from operating activities	3,657	5,336	3,020	1,562	249
CAPEX	546	1,015	993	1,164	1,463
Liabilities to assets ratio	63%	64%	61%	58%	66%

KEY RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS, EMPLOYEES AND OTHERS

The Group places a high priority on communicating and collaborating with all stakeholders. We have a multi-faceted communication mechanism. We actively listen to feedback from government agencies, regulators, shareholders, investors, customers, employees, the public, partners, and environmental organizations. By thoroughly analyzing stakeholders' expectations and concerns, the Group integrates them appropriately into strategic planning and operational decisions, thereby ensuring alignment between corporate development and stakeholder needs and jointly promoting sustainable value creation.

Adhering to a customer-centric philosophy, the Group continuously optimizes its service experience. We are dedicated to delivering efficient and convenient services that promptly address customer needs and elevate customer satisfaction. By providing comprehensive support to our dealers, we empower them to enhance their service capabilities and foster mutual growth. Simultaneously, we maintain rigorous marketing standards, ensuring our promotional content remains authentic and accurate while preserving our brand reputation and protecting consumer rights.

The Group continuously improves its customer service and after-sales management process system. We have formulated customer service management systems such as the On-site Management Measures of Service Stations and the After-sales Service Management Procedures. We formulated the Family Care Fund Management Procedures and the Service Performance Management Procedures, and updated policies such as the Customer Follow-up Management Process and the Complaint Handling Management Process to provide customers with comprehensive and high-quality services.

The Group has established a customer demand-driven continuous improvement mechanism. We conduct quarterly customer satisfaction surveys focusing on service outcomes related to warranty policies, channel management, service assurance, technical support, training support, and service hotlines through diverse satisfaction survey mechanisms, including surveys via the "Smart Sinotruk" APP and questionnaires. For areas with lower customer satisfaction scores, we urge the relevant departments to develop and implement rectification plans, and monitor their implementation to ensure continuous improvement of satisfaction indicators.

The Group consistently regards a responsible supply chain as a crucial pillar of sustainable development. We are committed to building a transparent, efficient, and sustainable supply chain system, and working together with our supplier partners to jointly uphold sustainability principles. The Group continuously improves its supplier management system by formulating a series of internal policies and implementing supplier classification and grading measures. We revised various policies, including the Supplier Management Procedures, the Procurement Control Procedures for Samples and Specimens, the Management Measures for Performance Evaluation and Grading of Auxiliary Product Suppliers, to further refine the full-process management of supplier selection, audit and retirement. To ensure supply chain stability, we have established a foreign supplier registry to mitigate and manage potential supply chain risks. Additionally, we implemented a stockpile mechanism for supply-constrained products and concurrently developed alternative suppliers to strengthen redundancy.

The Group fully recognizes that employees are the most valuable asset and core competitiveness of an enterprise. Committed to a people-oriented approach, we prioritize employees' rights, development, and well-being, striving to foster a harmonious, diverse, and dynamic workplace that benefits both the Group and our employees. Additionally, we remain dedicated to fulfilling our corporate social responsibility by actively participating in public welfare initiatives, contributing to the betterment of society.

The Group attaches great importance to lawful employment practices and has established a sound system to safeguard employees' rights and interests. The Group standardizes management in employee recruitment, communication, compensation, and performance, adheres to the principle of equal pay for equal work, and explicitly prohibits any form of discrimination and harassment, effectively protecting the legitimate rights and interests of employees.

The Group focuses on talent cultivation and development. Through a comprehensive talent cultivation system, systematic training programs, and diversified career development paths, we provide employees with a broad platform for learning and promotion. We emphasize unlocking employees' potential, continuously enhancing their professional skills and comprehensive abilities, and assisting every employee in realizing their self-worth. This lays a solid talent foundation for achieving our sustainable development goals.

The Group adheres to the principles of fairness and impartiality in its promotion management, establishing a comprehensive talent cultivation and promotion system that provides all employees with clear career development paths and promotion opportunities. The Group has implemented a dual-channel promotion mechanism comprising "regular promotions and exceptional promotions", which stimulates employees' enthusiasm and creativity, continuously injecting development momentum into the Group.

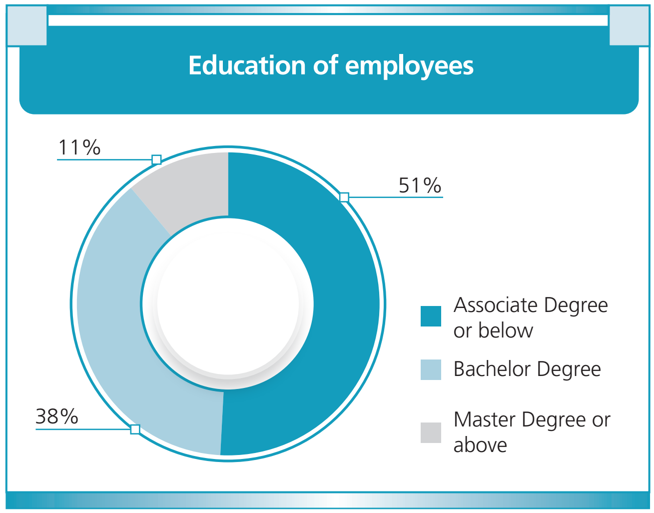
The Group has always placed employees' well-being at the forefront, striving to deeply understand their needs and foster a healthy, safe, and harmonious work environment. Implementing a robust security system, diverse welfare policies, and practical care measures, the Group comprehensively meets employees' material and spiritual needs, thereby boosting their satisfaction and work efficiency while cultivating harmonious and stable labor relations.

The Group's remuneration policies were determined with reference to the performance, qualification and working experience of individual employees, as well as the results of the Group and the market conditions. The benefits provided by the Group to its employees include discretionary bonus, meal subsidies, medical insurance, work injury insurance, unemployment insurance, etc. Employees (including executive Directors) may receive bonuses and monetary rewards based on their performance and ratings in annual performance appraisals as well as participating in the employees' share award scheme.

During the Period, the expenses of the Group (including salaries, retirement benefits, other welfares, post-employment benefits and employees' share award scheme expenses) to all employees including Directors amounted to RMB3,458 million (including share-based payment expense of RMB47 million), representing an increase of 19.2% YoY.

As at 30 June 2025, the Group employed a total of 28,347 employees, broken down by function and education as follows:

	Number of employees	**%**
Management team	281	0.99%
Technical and engineering staff	3,733	13.17%
Research and development staff	3,553	12.53%
Production staff	15,337	54.11%
Operation and sales staf	2,436	8.59%
Administrative staff	3,007	10.61%
Total	28,347	100.00%



The Group actively embraces the national rural revitalization strategy and fully commits to the principle of "common prosperity" by dedicating itself to rural revitalization initiatives. Through on-site investigations, community visits, and financial aid, we carry out comprehensive support programs to boost the effectiveness and quality of rural revitalization efforts. This multi-faceted approach fosters economic growth in formerly impoverished regions and increases local incomes, contributing to the broader goals of rural revitalization and common prosperity. The Group remains committed, striving for both self-development and societal contribution. By supporting rural revitalization and engaging in philanthropic endeavors, the Group actively fulfills its corporate social responsibility, contributing to the harmonious progress of society.

ENVIRONMENTAL POLICY, PERFORMANCE AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group adheres to the concept of green development and is committed to building a green, low-carbon and sustainable future. We tackle climate change, enhance environmental management, and promote green and low-carbon operations in various aspects, integrating environmental protection into our strategies and daily operations to strive for a harmonious balance between Group development and environmental protection.

The Group embraces the national call for "carbon peaking and carbon neutrality " by continuously enhancing its capacity to tackle climate change, identifying and actively responding to climate-related risks and opportunities, promoting the intelligent and low-carbon transformation of its industrial structure, and strengthening the climate resilience of its supply chain.

The Group is committed to green operations, adhering to standards for wastewater, waste gas, waste discharge, and noise control. Through proactive management measures, we continuously realize the gradual improvement of the level of pollutant emission management and reduce the potential impact on the environment. The Group achieved a 100% compliance rate for wastewater discharge and waste gas emissions. 100% of the hazardous wastes were disposed of in compliance with the regulations. No major environmental complaints or penalties were received.

The Group prioritizes enhancing resource efficiency and adopting energy-saving and emission-reduction technologies, embedding a low-carbon mindset across our entire production and operation processes. We are committed to building a resource-conserving and environment-friendly enterprise.

COMPLIANCE MATTERS

During the Period, there were no material breach of or non-compliance with the laws or regulations applicable to the Group nor were there any events that had a material impact on the Group's business and operations.

During the Period, the Group has complied, in all material respects, with the requirements under the Companies Ordinance, the Listing Rules, the SFO and the Corporate Governance Code regarding, among others, disclosure of information and corporate governance.

PRINCIPAL RISKS AND SOLUTIONS

The principal risks faced by the Group and the mitigation measures taken during the Period are as follows:

1. QUALITY CONTROL RISKS

Quality is the lifeline of the development of the heavy duty truck industry. Starting with quality system control, research and development quality management, zero-kilometer quality management, supplier quality management, and analysis and improvement of post-sales quality issues, the Group comprehensively advances the achievement of "Reduction of 3MIS for Complete Trucks" quality risk control target and strictly controls quality risks.

MITIGATION MEASURES:

Promote quality improvement through a complete process: Firstly, we refined maturity evaluation on quality system by building a four-tiered maturity evaluation model for quality system, refining more than 1,000 check clauses and establishing evaluation tool packages across all dimensions, to promote the system's evaluation upgrade from conformity-based to vector-based evaluation. Secondly, we continuously controlled R&D quality regulatory procedures, determined the quality goals of various projects and collected and analysed the problem avoidance items of similar vehicle models in newly developed projects, to provide input for the R&D process.

Drive quality improvement through post-sales enhancement: Firstly, we collected and analysed difficult issues including zero-kilometer and post-sales, decided 101 group-level improvement projects and 245 company-level improvement projects. During the Period, the implementation completion rates of group-level and company-level improvement projects were 94.81% and 88.96%, respectively. Secondly, we closely followed post-sales issues of newly tested products. We have followed real road scenarios and market verification issues of an aggregate 12 R&D projects in the first half of 2025. Among 165 identified quality issues, 158 issues were rectified and closed as scheduled, with an on-time closure rate of 96%. By promoting quality improvement projects, we have significantly improved the quality standards of the Group's products.

Enhance quality improvement by suppliers' assistance: Firstly, we implemented performance evaluation on supplier quality, focusing on the core framework of "3 indicators and 7 assessments for evaluation" and conducted regular evaluation on more than 1,500 suppliers, assigning suppliers' ratings of S, A, B, C and D; following review, 50 suppliers were included in the proposed retirement list after our evaluation. Secondly, we conducted special improvement actions for suppliers. Through formulating overall improvement plans and special trial test plans and implementing SQE binding assistance, spot checks and special trainings, we have significantly decreased the defect rate of incoming inspection of related products.

2. *MARKET FLUCTUATION RISK*

In the first half of the year, the domestic commercial vehicle industry faced multiple difficulties such as persistently low market demand and fierce competition. The HDT market is accelerating into a period of rapid demand-structure transformation and facing challenges brought by intensified existing-stock competition and deepened global layout. Meanwhile, the advancement of global "dual-carbon" targets and the subsidy policies for the phase-out and replacement of ageing in-use vehicles have continuously increased the penetration rate of new energy commercial vehicles, while the operating cost over the full life cycle of vehicles, efficiency in trunk-line logistics and pain points in urban distribution scenarios has become the focus of competition. The increase in the Group's sales volume during the Period resulted from precisely capturing policy benefits, analysing market pain points in-depth, and forward-looking planning for industry trends.

MITIGATION MEASURES:

We solidified competitive advantages with hardcore technologies. In the traditional energy field, the Group's new generation of medium-heavy duty truck platform, which accumulated 307 patents, decreased the drag coefficient to 0.43 and fuel consumption by 12%. Such solid improvements in tangible indicators make the Group's products always stand at the forefront of efficiency and reliability.

We made a full-speed breakthrough in the new energy sector. Facing the wave of electrification, the Group frequently launched strategic new products such as the HOWO TX 600kWh central-driven charging tractor truck (with 400km cruising range and 30% regenerative efficiency) and HOWO Leader PRO electric-driven axle LDT (with 20-minute fast charging). The core of the technical breakthrough stemmed from the industrial applications of the key techniques of electric-driven axle: through a forward development system developed by us, we mastered comprehensive solutions across charging, battery swapping, and fuel cell pathways, precisely covering over 120 segmented scenarios including port short-haul logistics and construction waste.

We made full efforts in friendly post-sales. While cultivating core distributors and intensively developing the primary network, we vigorously expanded the secondary network to weave a sales network with high efficiency. We delivered powerful initiatives at the service front, focusing on and cultivating 450 core service providers in 2025 and continuously upgrading our intelligent diagnosis and repairment platform. In our logistics artery spots, we set 200 fast-repairing stations, building 30 "Relative Hubs", helping clients reduce costs and enhance efficiency with swift, precise and warm services.

3. *EXCHANGE RATE RISKS*

With over twenty years of effort, the Group has gradually won recognition from international high-end market and built a three-dimensional market offensive and defensive system, comprehensively implementing the international development strategy of "solidifying advantaged markets, expanding potential markets, and exploring emerging markets". With outstanding product performance and leading technology, we have attracted attention and preference from customers and merchants globally, and the international business is becoming increasingly important for the Group. To avoid or reduce potential risks such as exchange rate losses during international trading, the Group implemented various financial methods and took various preventive measures in advance.

MITIGATION MEASURES:

The Group formulated contract settlement currency strategies to avoid the impact of exchange rate fluctuations. When conducting business in countries or regions with considerable RMB reserves, the Group clearly prioritised the use of cross-border RMB as the contract settlement currency. The Group purchased forward financial products from banks to hedge exchange rate fluctuations and further mitigate the currency exchange fluctuation risks. For long-term usance letter of credit, we adopted a forfaiting way to accelerate the collection of loans and avoid the adverse impact brought by forward exchange rate fluctuations.

The Group paid close attention to the changes in market exchange rates and enhanced its research and judgement on exchange rate fluctuations. The Group implemented settlement of exchange by batches according to its funding demand and the changes in market exchange rates. The Group researched and judged the possibility of exchange rate inversion when signing foreign trading contracts and adopted the forward exchange rate settlement method to lock contract profits. The Group conducted forecasts for monthly receivables based on export business volume and collection plan, based on which the Group collaborated with relevant banks to utilise financial products including foreign exchange derivatives for forward exchange rate locking, thus hedging exchange losses caused by exchange rate fluctuations.

BUSINESS STRATEGIES AND PROSPECTS

Looking ahead to the second half of the year, the global economic landscape is becoming increasingly complex and challenging, with geopolitical tensions and trade protectionism exacerbating economic uncertainties. The International Monetary Fund (IMF)'s World Economic Outlook projects global economic growth of 3.0% in 2025. Domestically, China's economy continues to show signs of recovery and improvement across the board. The Chinese government has emphasized the need for macroeconomic policies to maintain momentum and appropriately intensify efforts in the latter half of the year. This includes implementing more proactive fiscal policies and moderately accommodative monetary measures to fully unleash their stimulative effects. As these policy measures take hold, they are expected to drive sustained growth in consumption and infrastructure investment, bolstering market expectations and confidence, thereby laying a solid foundation for steady economic expansion.

The commercial vehicle sector is poised for a recovery in overall demand, driven by supportive macroeconomic policies, incremental opportunities in new energy resources, and expanding export markets. Firstly, domestic demand is steadily increasing as the vehicle replacement policy gains traction and infrastructure investment intensifies. Secondly, the rapid advancement of dual-carbon targets and the implementation of Stage IV fuel consumption limits for heavy duty commercial vehicles are accelerating new energy vehicle adoption. Thirdly, despite growing geopolitical tensions, tariff barriers and trade protectionism, strong demand persists in emerging markets and developing economies across Africa, Southeast Asia and South America, presenting substantial export opportunities.

The Group upholds "customer satisfaction comes first" as its core value and regards "building a world-class full-series commercial vehicle group" as the corporate vision. In the second half of 2025, the Group will focus on the following priorities:

1. We will accelerate overseas product upgrades and drive brand internationalization, leveraging the strengths of both SITRAK and HOWO brands to address product gaps in niche markets. This includes intensifying promotion of premium products, expediting overseas platform development, and rapidly expanding aftermarket services to enhance overall market competitiveness, service excellence and brand influence.

2. Domestically, we will consolidate our stronghold markets while making breakthroughs in underperforming segments. Our strategy targets key regions and specialized sectors including long-haul trunks, cold chain logistics, express delivery, as well as medium- and short-distance coal and construction materials haulage. We aim to capitalise on the phase-out and replacement opportunities arising from "National IV" ageing operating vehicles; vigorously advance marketing standardisation and implement a full-value-chain channel marketing model to strengthen our sales foundation and drive incremental volume.

3. We will capitalize on new energy opportunities through innovative marketing approaches. We will accelerate the market introduction of new technologies and business models, while enriching the product portfolio and focusing on implementing targeted measures in core regions to rapidly expand our market share in the new energy vehicle segment.

4. We will strengthen technological innovation to drive industrial chain upgrades. Significant R&D investments will be directed towards breakthrough technologies, including heavy duty vehicle integration, autonomous driving systems, integrated AMT transmission control and electric drive axles. These initiatives aim to accelerate commercialization and establish new growth drivers for the business.

FINANCIAL REVIEW

REVENUE, GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's revenue for the Period was RMB50,878 million, representing an increase of RMB2,055 million or 4.2% YoY. The increase in the revenue was due to a significant recovery in the demand of HDTs benefited from the steady improvement of the domestic macro-economy and the continued development of the overseas heavy duty truck market. The Group seized market opportunities, achieved growth in product sales.

The Group's gross profit for the Period was RMB7,662 million, representing an increase of RMB503 million or 7.0% YoY. The increase in gross profit was mainly due to the significant increase in sales volume in trucks. Gross profit margin (gross profit divided by revenue) for the Period was 15.1%, representing a small increase of 0.4 percentage points YoY which was mainly due to the improved profitability of heavy duty truck products, which improved the overall gross profit margin.

OTHER INCOME AND GAINS

The other income and gains for the Period was RMB609 million, representing a decrease of RMB72 million or 10.6% YoY. The decrease was mainly due to the decrease in various kind of other income such as wealth management products, government grant, etc.

SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the Period was RMB1,742 million, representing an increase of RMB217 million or 14.2% YoY and such increase was due to the increase in sales. During the Period, the ratio of selling and distribution expenses to Products Revenue was 3.5%, representing an increase of 0.3 percentage points YoY.

ADMINISTRATIVE EXPENSES

Administrative expenses for the Period was RMB2,366 million, representing an increase of RMB17 million or 0.7% YoY. During the Period, administrative expenses to revenue ratio was 4.7%, representing a decrease of 0.1 percentage points YoY. Under the proper cost controls, the rate of the increase in the administrative expenses is less than that of the revenue. Among them, research and development expenses accounted for 52% of the administrative expenses, representing an increase by 1.4 percentage points YoY.

REVERSAL OF NET IMPAIRMENT LOSSES OF FINANCIAL ASSETS

The net reversal of the impairment losses of financial assets for the Period was RMB18 million, compared with the net reversal of the net impairment losses for the Previous Period at the amount of RMB71 million, representing a decrease of RMB53 million or 74.6% YoY. When the Group assesses the impairment of trade, financing and bills receivables, the Group will use 12-month, whole life and simplified expected credit loss models and consider historical observed default rates, forecast economic conditions and public credit information of each debtor or borrower. Based on the assessment, the net impairment loss allowance of impairment of trade, financing and bills receivables at RMB5 million was reversed while the net impairment loss allowance of financial assets in other receivables at RMB13 million was further reversed. Further details of the trade, financing and bills receivables are set out in the sections headed "RECEIVABLES" • "From trade activities" and "From financing activities" and "FINANCE SEGMENT". In addition, the issue of bills business (off-balance sheet credit business) was terminated during the Period (2024: reversal of impairment loss allowance at RMB0.1 million).

OTHER EXPENSES

The other expenses for the Period was RMB59 million, representing a signficant increase by RMB47 million YoY. The increase was mainly due to expenditures resulted from the termination of financial liabilities arisen from bills discounting activities without recourse.

FINANCE INCOME - NET

Net finance income for the Period was RMB202 million, representing an increase of RMB115 million or 132.2% YoY. The increase in net finance income was due to the increase in interest income from external deposits from the segments other than the Finance Segment.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates for the Period was RMB47 million, representing a decrease of RMB1 million or 2.1% YoY. The share of profits of associates was mainly contributed by those associates which engage in sales of parts and components of trucks.

INCOME TAX EXPENSE

Income tax expense for the Period was RMB650 million, representing an increase of RMB88 million or 15.7%. The effective tax rate (income tax expense divided by profit before income tax expense) for the Period was 14.9%, representing an increase of 1.4 percentage points YoY due to the reduction of the utilization of unrecognized tax losses in the previous years.

PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

Profit for the Period was RMB3,720 million, representing an increase of RMB121 million or 3.4% YoY. Net profit ratio (profit for the Period divided by revenue) was 7.3%, representing a decrease of 0.1 percentage points or 1.4% YoY.

Profit attributable to equity shareholders of the Company for the Period was RMB3,427 million, representing an increase of RMB133 million or 4.0% YoY. The basic earnings per share attributable to equity shareholders of the Company for the Period was RMB1.25, representing an increase of RMB0.05 or 4.2% YoY.

RECEIVABLES

From trade activities

As at 30 June 2025, the Aggregate Trade Balance amounted to RMB34,082 million, representing an increase of RMB11,300 million or 49.6% when compared to the balance as at 31 December 2024. The increase in the Aggregate Trade Balances was due to the Group accepted more bank acceptance bills from its customer to settle their trade debts during the Period.

In addition to granting standard credit period to certain privileged customers, the Group received acceptance bills for settlement of trade receivables. The Group granted large dealers with good repayment history credit period from 3 to 12 months and/or accepted the settlement by commercial and bank acceptance bills and, hence, their ageing of the Aggregate Trade Balances was longer than that of other customers.

The trade receivables turnover (average Aggregate Trade Balances divided by Products Revenue multiplied by 181 days (2024: 182 days)) for the Period was 102.2 days (2024: 76.8 days), representing an increase of 25.4 days.

As at 30 June 2025, the Aggregate Trade Balances aged not more than twelve months amounted to RMB33,365 million or 97.9% of the Aggregate Trade Balances.

The Group reviewed the repayment progress of key customers or customers with higher risk of default in repayment on a monthly basis and assessed impairment loss by reference to their businesses, repayment information, etc. During the Period, the Group made impairment loss allowance for Aggregate Trade Balances at the amount of RMB2 million.

From financing activities

As at 30 June 2025, the net financing receivables was RMB15,983 million, representing an increase of RMB621 million or 4.0% when compared to the balance as at 31 December 2024.

As at 30 June 2025, the net financing receivables aged not more than twelve months amounted to RMB10,480 million or 65.6% of the net financing receivables.

During the Period, the Group reversed impairment loss allowance for financing receivables at the amount of RMB7 million. Further details of the financing receivables are set out in the section headed "FINANCE SEGMENT".

TRADE PAYABLES

As at 30 June 2025, the trade and bills payables amounted to RMB60,427 million, representing an increase of RMB7,355 million or 13.9% when compared to the balance as at 31 December 2024.

The trade payables turnover (average trade and bills payables balances divided by costs of Products Revenue multiplied by 181 days (2024: 182 days)) for the Period was 239.6 days (2024: 218.2 days), representing an increase of 21.4 days YoY.

CASH FLOWS

Net cash inflow generated from operating activities for the Period was RMB3,657 million, representing a decrease of RMB1,679 million or 31.5% YoY. Although the increase in profits and the decrease in other receivables have boosted cash inflows from operating activities, the net cash inflow from operating activities has decreased by the substantial increase in bank acceptance bills as mentioned in "RECEIVABLES" • "From trade activities" above.

Net cash outflow used in investing activities for the Period was RMB6,913 million, representing an increase of cash outflow of RMB2,381 million or 52.5% YoY. Although the net reduction in purchases of financial assets of RMB1,815 million, the reduction in loans to an associate of RMB51 million and the increase in government grants of RMB57 million etc. reduced cash outflows by RMB1,923 million in total during the Period, the capital contribution to an associate at the amount of RMB3,485 million, the net increase in spendings of RMB399 million in the purchase of property, plant and equipment and intangible assets, and the reduction in cash inflows of RMB561 million due to no disposal of equity interests in associates during the Period, ultimately resulted in a significant cash outflow.

Net cash outflow used in financing activities for the Period was RMB183 million, representing a decrease of the cash outflow by RMB246 million or 57.3% YoY which is mainly due to savings from no cash spent on the purchase of the Shares under the Share Award Scheme at the net amount of RMB325 million in the Period and from the reduction of dividends paid to non-controlling interests and no acquisition of non-controlling interests by the aggregate amount of RMB49 million. These savings are partly offset by the increase in the net repayment from borrowings and lease repayment and interest payment at the aggregate amount of RMB128 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had cash and cash equivalents, which were mainly dominated in RMB, USD, Euro and HK$, of RMB8,662 million, representing a decrease of RMB3,294 million or 27.6% when compared to the balance as at 31 December 2024. The Group's total borrowings were about RMB6,652 million as at 30 June 2025, representing an increase of RMB954 million or 16.7% when compared with the balance as at 31 December 2024. Its gearing ratio (total borrowings divided by total assets) and debt-to-equity ratio (total borrowings divided by equity) as at 30 June 2025 were 4.7% and 13.0% respectively (31 December 2024: 4.4% and 11.6% respectively). As at 30 June 2025, current ratio (total current assets divided by total current liabilities) was 1.1 (31 December 2024: 1.1).

As at 30 June 2025, all borrowings were denominated in RMB (31 December 2024: all in RMB) and 89.6% borrowings were charged with reference to bank's preferential fixed rates (31 December 2024: 87.1%). The maturity profile of all borrowings was as follows:

	As at 30 June 2025 RMB million	**As at 31 December 2024 RMB million**
Within one year	**6,222**	5,232
After 1 year but within 2 years	**243**	221
After 2 years abut within 5 years	**187**	245
	6,652	5,698

As at 30 June 2025, total consolidated equity of the Company was RMB51,273 million, representing an increase of RMB2,121 million or 4.3% when compared with the balance as at 31 December 2024.

As at 30 June 2025, the Company's market capitalization was RMB57,660 million (calculated based on the issued share capital of the Company: 2,760,993,339 Shares, closing price: HK$22.9 per Share and at the exchange rate of 1: 0.91195 between HK$ and RMB).

As at 30 June 2025, the unutilized credit facilities of the Group from the banks amounted to RMB54,933 million (31 December 2024: RMB58,466 million). The Finance Segment mandatorily placed deposits of RMB1,079 million (31 December 2024: RMB2,227 million) to the PBOC for its financial operations. In addition, an aggregate amount of RMB4,125 million (31 December 2024: RMB4,524 million) of restricted cash and RMB380 million (31 December 2024: RMB300 million) of time deposits in other receivables were pledged mainly for issue of letters of credit and bank acceptance bills.

The Group meets its daily liquidity needs by matching operating cash flow patterns with funds on hand and enhances its liquidity by way of application for longer credit periods from suppliers, sufficient banking facilities and issuance of bills such as short-term commercial acceptance bills and bank acceptance bills.

INVESTMENTS

The Group continued to pay attention to potential strategic investment opportunities in the market, and acquired or invested in those meet with the Group's strategic development requirements at appropriate times.

EQUITY INVESTMENTS FORMING PART OF THE GROUP'S OPERATIONS

Other than investment in subsidiaries, the Group holds long-term equity investments forming part of its business operations:

a) Investment in associates

During the Period, the Group contributed RMB3,485 million for 37.5% equity interest in SHIG Finance Co., Ltd. The capital contribution has been approved by independent Shareholders at the extraordinary general meeting held on 14 February 2025.

As at 30 June 2025, the amount of investment in associates was RMB5,085 million, representing 3.6% of the total assets of the Group.

b) Other long term equity investments

As at 30 June 2025, the Group's unlisted equity investments for long term strategic investment purpose amounted to RMB17 million, representing less than 0.1% of the total assets of the Group. These investments were presented as equity investments designated at fair value through other comprehensive income.

OTHER SECURITIES INVESTMENTS

For the purposes of increasing profitability of short term funds and managing the liquidity of the Group, the Group invested in short-term equity investments which consisted of listed securities in Hong Kong and China. As at 30 June 2025, the Group had short term equity investment at RMB2 million, representing less than 0.1% of its total assets. Such equity investments are presented as equity investments in financial assets at fair value through profit or loss. Their fair values keep changing from time to time depending on factors including but are not limited to their operation results, economic situation and stock markets sentiments.

CAPITAL COMMITMENT

As at 30 June 2025, the Group committed capital expenditure in respect of property, plant and equipment as well as intangible assets amounting to RMB1,671 million which would be funded by internal resources and borrowing facilities.

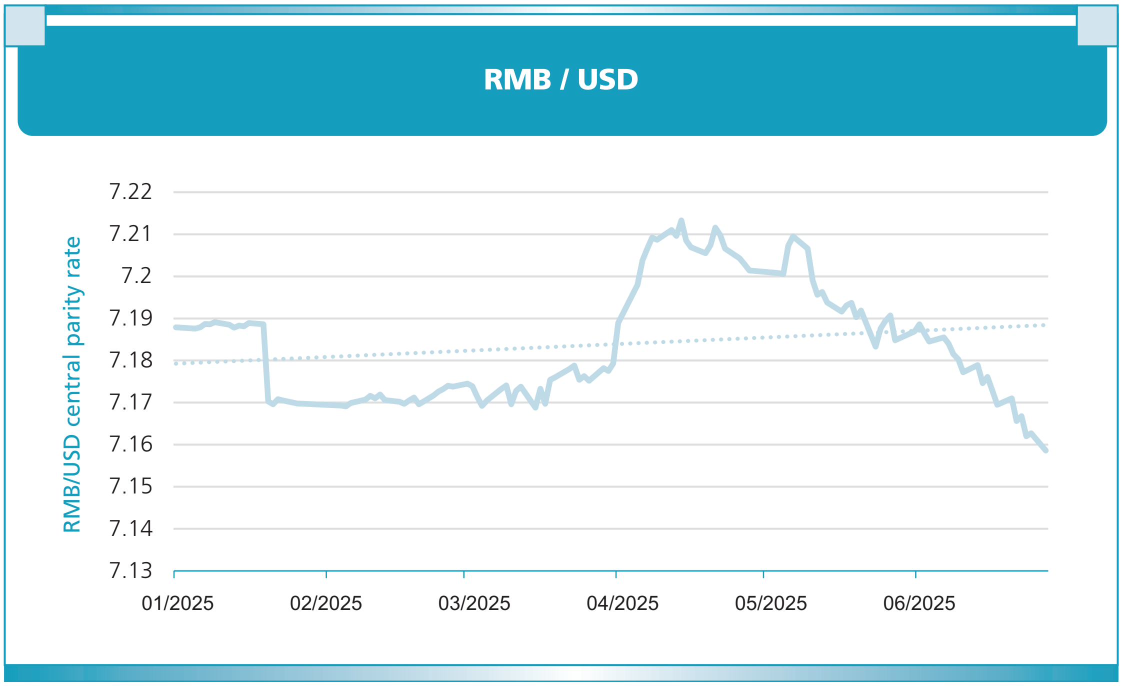
CHARGES ON GROUP ASSETS

Save as disclosed in the section headed "LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE", as at 30 June 2025, motor vehicles with an aggregate carrying value of RMB895 million were being pledged for borrowings at RMB674 million.

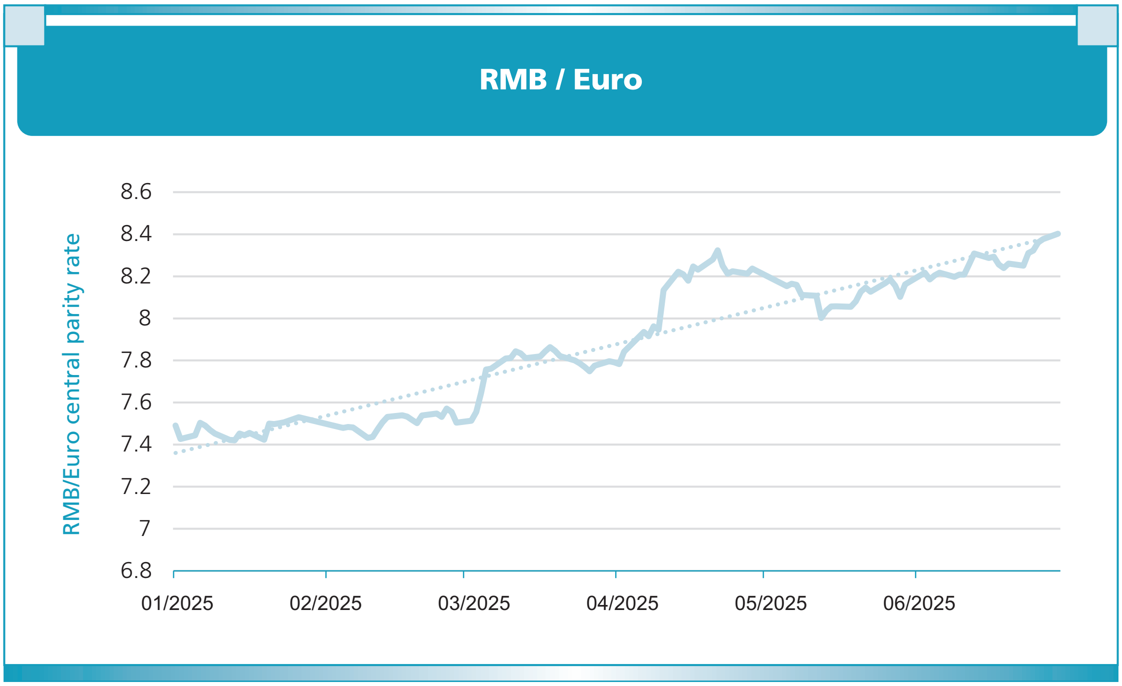
FINANCIAL MANAGEMENT AND POLICY

The finance & operation management department is responsible for the financial risk management of the Group. One of the primary objectives of financial policies of the Group is to manage exchange rate risk while the foreign exchange management working group directly participates in foreign exchanges management. The major foreign exchange risk exposure arises from its exporting and importing activities, business operations outside the PRC as well as the financing activities in Hong Kong. Although the Group does not aim for speculative activities, the Group uses forward exchange contracts, foreign exchange derivatives, etc. to manage the foreign exchange risks and purchases several wealth management products of which the return is linked with non-RMB foreign currencies.

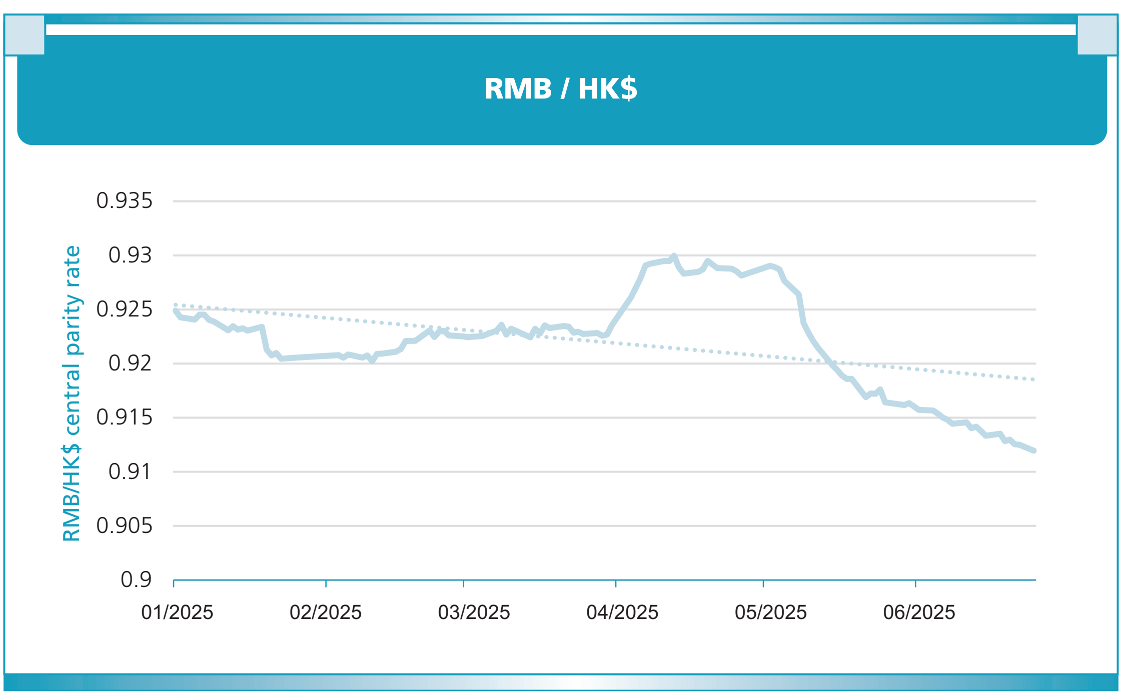
The following charts show the RMB/USD, RMB/Euro and RMB/HK$ central parity rates for the Period in the PRC (data source: State Administration of Foreign Exchange, the PRC):



The RMB/USD central parity rate in the PRC as at 30 June 2025 was 7.1586, representing an appreciation of RMB by 0.41% when compared to the rate of 7.1884 as at 31 December 2024. RMB against USD central parity rates recorded in range of 7.1586 and 7.2133 with volatility at 1.39% and had a significant fluctuation during the Period.



The RMB/Euro central parity rate in the PRC as at 30 June 2025 was 8.4024, representing a depreciation of RMB by 11.65% when compared with the rate of 7.5257 as at 31 December 2024. RMB against Euro central parity rates recorded in range of 7.4206 and 8.4024 with volatility at 31.90% and showed a trend of depreciation during the Period.



The RMB/HK$ central parity rate in the PRC as at 30 June 2025 was 0.91195, representing an appreciation of RMB by 1.52% when compared with the rate of 0.92604 as at 31 December 2024. RMB against HK$ central parity rates recorded in range of 0.91195 and 0.92997 with volatility at 0.46% and had a significant fluctuation during the Period.

As at 30 June 2025, most of the Group's monetary assets and liabilities were denominated in RMB while the major non-RMB denominated net monetary assets/liabilities were in USD, Euro and HK$. During the Period, the Group recorded foreign exchange gains of RMB166 million in operating profit and gains of RMB24 million on forward foreign exchange contracts for the purpose of reducing foreign exchange fluctuations. The material potential foreign exchange impacts to monetary assets and liabilities of the Group as at 30 June 2025 are:

	USD denominated net assets	**EURO denominated net assets**
5% appreciation/ depreciation in RMB	Loss/gain before tax of RMB411 million/ RMB390 million	Loss/gain before tax of RMB21 million/ RMB21 million

	HK$ denominated net liabilities
5% appreciation/ depreciation in RMB	Gain/loss before tax of RMB7 million/ RMB7 million

GOING CONCERN

Based on the current financial forecast and the funding that can be utilized, the Group will have sufficient financial resources to continue its operations in the foreseeable future. As a result, the financial statements were prepared based on the going concern assumption.

CONTINGENT LIABILITIES, LEGAL PROCEEDINGS AND POTENTIAL LITIGATION

As at 30 June 2025, there was no material contingent liabilities. During the Period, the Group was not involved in any material litigation or arbitration.

DISCLAIMER ON NON-GAAP FINANCIAL MEASURES

Affiliated export revenue is a non-GAAP financial measure and it is used for assessing the Group's actual export performance. The Group treats the type of sales to dealers who purchase the Group's products and directly export to their overseas customers as our export sales. Hence, it may not be comparable to similarly titled measures for other companies and should not be considered as an alternative to revenue by geographical markets as an indicator of the operating performance of the Group.

The use of non-GAAP financial measure is provided solely to enhance the overall understanding of the Group's current financial performance. Additionally, since the Group has historically reported non-GAAP results to investors, it is considered the inclusion of non-GAAP financial measure provides consistency in the Group's financial reporting.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Company commit to maintain a high standard of corporate governance, formulate good corporate governance practice for improvement of accountability and transparency in operations, and strengthen the internal control system from time to time so as to ensure to meet with the expectations of the Shareholders. The Company has adopted the corporate governance codes as set out in Appendix C1 "Corporate Governance Code" effective during the Period (the "CG Code") to the Listing Rules as its own code of corporate governance.

During the Period, the Company had been in compliance with the code provisions under the CG Code, save and except for the code provision F.1.1 of the CG Code.

According to code provision F.1.1 of the CG Code, the Company should have a policy on payment of dividends. The Company has not established a dividend policy as the Company will consider various factors such as the current operating results, distributable reserves, financial position, expected financial performance, expected working capital requirements, sustainable development to determine the dividend distribution proposal, which is to the best interest of the Company and its Shareholders as a whole.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted Appendix C3 - Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") to the Listing Rules as the code of conduct for securities transactions by the Directors. The Company has made specific enquiries with all Directors and all Directors confirm that they have complied with the standards required by the Model Code during the Period.

REVIEW OF INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee and by KPMG, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by Hong Kong Institute of Certified Public Accountants.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

The trustee of the Share Award Scheme held 26,520,000 Shares (representing approximately 0.96% of the total number of Shares in issue) as at 30 June 2025.

INVESTOR RELATIONS

The Securities Management Department is responsible for promoting investor relations, enhancing communication and ensuring that the investors are able to obtain information about the Group on a fair and timely basis to assist them in making the best investment decisions. To cultivate good relationship with the Shareholders and potential investors, the Group has participated in a number of one-on-one meetings, investors' conferences, road shows and site visits during the Period. Analysts and fund managers may gain better knowledge on the production operations of the Group through these activities. Investors and the public may also browse the website of the Company at www.sinotruk.com for the latest information available in respect of the Group including information on the financial conditions and the latest business developments of the Group.

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and improving the Shareholders' returns. The Board considers that the AGM is an important opportunity for direct communication with the Shareholders. The 2025 AGM was successfully held on 26 June 2025 at the meeting centre of the Company, No. 688 Shunhua South Road, Licheng District, Ji'nan City, Shandong Province, PRC and Units 2102-03, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. Certain members of the Board and external auditor of Company attended the 2025 AGM in person or via video conferencing system and communicated with the Shareholders. Details of the voting and other particulars were disclosed in the Company's announcement dated 26 June 2025.

CONSTITUTIONAL DOCUMENTS

The Articles of the Company was adopted by way of a special resolution passed by the Shareholders at the 2023 AGM held on 28 June 2023. There has been no change to the Articles during the Period. The Articles of the Company is available on the websites of the Company and the Stock Exchange.

PUBLICATION OF THE 2025 INTERIM RESULTS AND THE INTERIM REPORT

The interim results announcement for the six months ended 30 June 2025 is published on the website of the Company (www.sinotruk.com) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2025 will be despatched to the Shareholders and published on the above websites in due course.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context indicates otherwise:

"Aggregate Trade Balance"	the total balances of the net trade receivables, net bills receivable and acceptance bills which are received from the customers to settle their trade debts
"AGM"	the annual general meeting of the Company or any adjournment thereof
"Articles"	the articles of association of the Company, as amended, supplemented, modified or otherwise adopted from time to time
"Audit Committee"	the audit committee of the Company
"Auto-finance Services"	the provision of financing to the end-users and dealers of the Group's products for the purpose of purchasing the Group's vehicles
"Board"	the board of Directors
"CAAM"	China Association of Automobile Manufacturers
"China" or "PRC" or "Mainland China"	the People's Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan

"CNHTC"	中國重型汽車集團有限公司(China National Heavy Duty Truck Group Company Limited), a state-owned enterprise organized under the laws of the PRC with limited liability, being the immediate holding company of the Company
"CNHTC Group"	CNHTC and its subsidiaries other than the Group
"Commercial Lending Services"	the provision of loans to the borrowers, bill discounting services for bank bills presented by the borrowers and issue of bills (off-balance sheet credit business)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company"or "Sinotruk"	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Engines Segment"	the engines segment of the Group which engages in manufacture and sale of engines, gearboxes and related parts
"Euro"	the lawful currency of the European Union
"Finance Segment"	the finance segment of the Group which engages in provision of deposit taking, Commercial Lending Services and entrustment loans to the members of the Group and members of CNHTC Group as well as the provision of Auto-financing Services and supply chain financing services to the public

"GAAP"	generally accepted accounting principles
"GDP"	gross domestic product
"Group" or "We"	the Company and its subsidiaries
"HDT(s)"	heavy duty truck(s) and medium-heavy duty truck(s)
"HDTs Segment"	the heavy duty trucks segment of the Group which engages in manufacture and sale of heavy duty trucks, medium-heavy duty trucks and related components
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"LDT(s)"	light duty truck(s)
"LDTs and Others Segment" or "Light Duty Trucks and Others Segment"	the light duty trucks and others segment of the Group which engages in manufacture and sale of light duty trucks, buses, other vehicles and related components
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Operating Profit (Loss) Margin"	the ratio of operating profit (loss) to revenue of the segment of the Group
"PBOC"	The People's Bank of China
"Period"	the six-month period ended 30 June 2025

"Previous Period"	the six-month period ended 30 June 2024
"Products Revenue"	the revenue of sales of goods and rendering of services by the HDTs Segment, the LDTs and Others Segment and the Engines Segment to external customers
"R&D"	research and development
"Share Award Scheme"	a restricted share award scheme adopted by the Company on 17 March 2024
"RMB"	Renminbi, the lawful currency of the PRC
"Securities Management Department"	the securities management department of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary share(s) in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"SHIG"	山東重工集團有限公司 (Shandong Heavy Industry Group Co., Ltd.), a state-owned enterprise organized under the laws of the PRC with limited liability being the ultimate holding company of the Company and the controlling shareholder (as defined in the Listing Rules) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subsidiary"	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance whether incorporated in Hong Kong or elsewhere and "Subsidiaries" shall be construed accordingly
"USD"	United States dollars, the lawful currency of the United States of America
"YoY"	as compared to the Previous Period
"%"	per cent

By order of the Board
Sinotruk (Hong Kong) Limited
Liu Zhengtao
Chairman of the Board

Ji'nan, the PRC, 27 August 2025

As at the date of this announcement, the board of the Company consists of seven executive Directors of the Company including Mr. Liu Zhengtao, Mr. Liu Wei, Ms. Li Xia, Mr. Han Feng, Mr. Zhao Hua, Mr. Wang Dechun and Ms. Han Xing; three non-executive Directors of the Company including Mr. Cheng Guangxu, Mr. Karsten Oellers, and Mr. Mats Lennart Harborn; and six independent non-executive Directors of the Company including Dr. Wang Dengfeng, Mr. Zhao Hang, Mr. Liang Qing, Mr. Lyu Shousheng, Mr. Zhang Zhong and Dr. Liu Xiaolun.