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## **ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHERY AUTOMOBILE CO., Ltd., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED, HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, AND GF CAPITAL (HONG KONG) LIMITED**

### **Introduction**

We report on the historical financial information of Chery Automobile Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-130, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the three months ended 31 March 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 31 March 2025, and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-130 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 17 September 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

### **Directors' responsibility for the Historical Financial Information**

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

### **Reporting accountants' responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 31 March 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

### **Review of interim comparative financial information**

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three months ended 31 March 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.



**Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

**Adjustments**

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

**Dividends**

We refer to note 11 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young', written in a cursive style.

*Certified Public Accountants*  
Hong Kong  
17 September 2025

**I. HISTORICAL FINANCIAL INFORMATION****Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest million (RMB million) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
REVENUE . . . . .	5	92,618	163,205	269,897	54,910	68,223
Cost of sales . . . . .		(79,813)	(137,115)	(233,589)	(46,747)	(59,766)
Gross profit . . . . .		12,805	26,090	36,308	8,163	8,457
Other income and gains . . . . .	5	3,822	4,232	6,251	1,174	3,652
Selling and distribution expenses . . . . .		(3,207)	(5,557)	(8,380)	(1,812)	(2,182)
Administrative expenses . . . . .		(1,934)	(4,070)	(5,999)	(1,887)	(1,140)
Research and development expenses . . . . .		(3,646)	(6,664)	(9,243)	(2,224)	(2,272)
Impairment (losses)/gains on financial and contract assets, net . . . . .		(684)	223	258	424	13
Other expenses . . . . .		(130)	(568)	(1,719)	(421)	(99)
Finance costs . . . . .	7	(1,405)	(1,617)	(2,310)	(692)	(872)
Share of profits and losses of:						
Joint ventures . . . . .		640	854	851	258	112
Associates . . . . .		247	382	595	188	98
PROFIT BEFORE TAX . . . . .	6	6,508	13,305	16,612	3,171	5,767
Income tax expense . . . . .	10	(702)	(2,861)	(2,278)	(695)	(1,041)
PROFIT FOR THE YEAR/PERIOD . . . . .		<u>5,806</u>	<u>10,444</u>	<u>14,334</u>	<u>2,476</u>	<u>4,726</u>
Attributable to:						
Owners of the parent . . . . .		6,266	11,953	14,135	2,712	4,650
Non-controlling interests . . . . .		(460)	(1,509)	199	(236)	76
		<u>5,806</u>	<u>10,444</u>	<u>14,334</u>	<u>2,476</u>	<u>4,726</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT . . . . .	12					
Basic (RMB)						
– For profit for the year/period . . . . .		<u>1.15</u>	<u>2.19</u>	<u>2.58</u>	<u>0.50</u>	<u>0.85</u>
Diluted (RMB)						
– For profit for the year/period . . . . .		<u>1.15</u>	<u>2.19</u>	<u>2.58</u>	<u>0.50</u>	<u>0.85</u>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i>
PROFIT FOR THE YEAR/PERIOD . . . . .	<u>5,806</u>	<u>10,444</u>	<u>14,334</u>	<u>2,476</u>	<u>4,726</u>
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations . . . . .	77	(419)	131	62	(1,017)
Share of other comprehensive income of joint ventures and associates . . . . .	<u>(1)</u>	<u>(8)</u>	<u>(12)</u>	<u>(36)</u>	<u>11</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods . . . . .	<u>76</u>	<u>(427)</u>	<u>119</u>	<u>26</u>	<u>(1,006)</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Changes in fair value of equity investments designated at fair value through other comprehensive income . . . . .	19	16	52	13	(24)
Share of other comprehensive income of joint ventures and associates . . . . .	<u>(1)</u>	<u>1</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods . . . . .	<u>18</u>	<u>17</u>	<u>52</u>	<u>13</u>	<u>(24)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX. . . . .	<u>94</u>	<u>(410)</u>	<u>171</u>	<u>39</u>	<u>(1,030)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD . . . . .	<u>5,900</u>	<u>10,034</u>	<u>14,505</u>	<u>2,515</u>	<u>3,696</u>
Attributable to:					
Owners of the parent . . . . .	6,360	11,543	14,306	2,751	3,620
Non-controlling interests . . . . .	<u>(460)</u>	<u>(1,509)</u>	<u>199</u>	<u>(236)</u>	<u>76</u>
	<u>5,900</u>	<u>10,034</u>	<u>14,505</u>	<u>2,515</u>	<u>3,696</u>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December	As at 31 December	As at 31 December	As at 31 March
	Notes	2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment . . . . .	13	11,905	18,968	23,443	24,750
Right-of-use assets . . . . .	14(a)	1,106	1,404	3,350	3,292
Other intangible assets . . . . .	15	1,196	1,081	2,057	2,400
Investments in joint ventures . . . . .	16	7,626	8,265	9,793	10,817
Investments in associates . . . . .	17	4,344	5,290	6,364	5,741
Equity investments designated at fair value through other comprehensive income . . . . .	18	349	323	313	282
Prepayments, other receivables and other assets . . . . .	19	1,099	7,703	839	581
Financial assets at fair value through profit or loss . . . . .	20	33	45	61	58
Deferred tax assets . . . . .	33	4,691	3,829	5,131	4,915
Time deposits . . . . .	26(c)	1,987	2,810	244	35
Restricted bank deposits . . . . .	26(b)	5	—	—	—
Total non-current assets . . . . .		34,341	49,718	51,595	52,871
<b>CURRENT ASSETS</b>					
Inventories . . . . .	21	12,873	31,035	36,324	38,507
Trade receivables . . . . .	22	9,521	11,268	17,423	21,270
Bills receivables . . . . .	23	6,167	10,805	774	330
Contract assets . . . . .	24	1,187	455	—	—
Prepayments, other receivables and other assets . . . . .	19	24,344	21,364	10,505	10,197
Prepaid income tax . . . . .		43	541	162	218
Financial assets at fair value through profit or loss . . . . .	20	13,898	11,961	19,579	29,278
Derivative financial instruments . . . .	29	241	31	—	—
Financial assets at fair value through other comprehensive income . . . . .	25	2,359	4,433	7,547	1,802
Time deposits . . . . .	26(c)	3,373	2,188	7,319	16,204
Restricted bank deposits . . . . .	26(b)	927	587	75	2,303
Cash and cash equivalents . . . . .	26(a)	12,686	35,048	62,693	37,498
Total current assets . . . . .		87,619	129,716	162,401	157,607

**APPENDIX I**
**ACCOUNTANTS' REPORT**

		As at 31 December	As at 31 December	As at 31 December	As at 31 March
	Notes	2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
<b>CURRENT LIABILITIES</b>					
Trade and bills payables . . . . .	27	51,708	74,408	101,496	102,403
Other payables and accruals . . . . .	28	12,228	18,959	22,437	20,170
Derivative financial instruments . . . .	29	3	86	–	–
Interest-bearing bank loans and other borrowings . . . . .	30	18,806	31,724	20,068	16,514
Bonds payables . . . . .	31	71	–	–	–
Lease liabilities . . . . .	14(b)	46	138	366	428
Tax payable . . . . .		577	703	3,120	3,608
Contract liabilities . . . . .	32	8,030	18,589	15,319	13,088
Provision . . . . .	35	856	2,395	2,816	3,298
Deferred income . . . . .	34	54	102	180	886
Total current liabilities . . . . .		<u>92,379</u>	<u>147,104</u>	<u>165,802</u>	<u>160,395</u>
NET CURRENT LIABILITIES . . . . .		<u>(4,760)</u>	<u>(17,388)</u>	<u>(3,401)</u>	<u>(2,788)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .</b>					
		<u>29,581</u>	<u>32,330</u>	<u>48,194</u>	<u>50,083</u>
<b>NON-CURRENT LIABILITIES</b>					
Other payables and accruals . . . . .	28	3,601	5,881	4,854	5,079
Interest-bearing bank loans and other borrowings . . . . .	30	14,317	6,784	3,098	5,116
Bonds payables . . . . .	31	625	–	–	–
Lease liabilities . . . . .	14(b)	165	383	1,953	1,858
Deferred tax liabilities . . . . .	33	151	241	231	241
Deferred income . . . . .	34	515	1,177	5,283	4,179
Provision . . . . .	35	1,792	3,283	6,851	7,815
Total non-current liabilities . . . . .		<u>21,166</u>	<u>17,749</u>	<u>22,270</u>	<u>24,288</u>
Net assets . . . . .		<u>8,415</u>	<u>14,581</u>	<u>25,924</u>	<u>25,795</u>
<b>EQUITY</b>					
Equity attributable to owners of the parent					
Share capital . . . . .	36	5,470	5,470	5,470	5,470
Treasury shares . . . . .		(34)	–	–	–
Reserves . . . . .	38	3,784	9,981	21,018	21,125
		<u>9,220</u>	<u>15,451</u>	<u>26,488</u>	<u>26,595</u>
Non-controlling interests . . . . .		<u>(805)</u>	<u>(870)</u>	<u>(564)</u>	<u>(800)</u>
Total equity . . . . .		<u>8,415</u>	<u>14,581</u>	<u>25,924</u>	<u>25,795</u>



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent									
	Share capital	Treasury shares	Other comprehensive income*	Other reserves*	Exchange fluctuation reserve*	Surplus reserves*	Accumulated loss*	Total	Non-controlling interests	Total equity
	RMB million (note 36)	RMB million	RMB million	RMB million (note 38)	RMB million	RMB million (note 38)	RMB million	RMB million	RMB million	RMB million
At 1 January 2022 . . . . .	5,470	–	15	24,503	(72)	519	(24,477)	5,958	(712)	5,246
Profit for the year . . . . .	–	–	–	–	–	–	6,266	6,266	(460)	5,806
Other comprehensive income for the year:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	–	–	19	–	–	–	–	19	–	19
Share of other comprehensive income of joint ventures and associates . . . . .	–	–	(2)	–	–	–	–	(2)	–	(2)
Exchange differences on translation of foreign operations . . . . .	–	–	–	–	77	–	–	77	–	77
Total comprehensive income for the year . . . . .	–	–	17	–	77	–	6,266	6,360	(460)	5,900
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . . . . .	–	–	(36)	–	–	–	36	–	–	–
Business combination under common control . . . . .	–	–	–	(3,862)	–	–	–	(3,862)	–	(3,862)
Deemed contribution from one shareholder . . . . .	–	–	–	147	–	–	–	147	–	147
Share of other reserves of joint ventures and associates . . . . .	–	–	–	41	–	–	–	41	19	60
Capital contribution from non-controlling shareholders . . . . .	–	–	–	9	–	–	–	9	392	401
Transfer to safety production reserve . . . . .	–	–	–	2	–	–	(2)	–	–	–
Others . . . . .	–	(34)	–	601	–	–	–	567	(44)	523
At 31 December 2022 . . . . .	5,470	(34)	(4)	21,441	5	519	(18,177)	9,220	(805)	8,415

## Year ended 31 December 2023

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Share capital	Treasury shares	Other comprehensive income*	Other reserves*	Exchange fluctuation reserve*	Surplus reserves*	Accumulated loss*		
	RMB million (note 36)	RMB million	RMB million	RMB million (note 38)	RMB million	RMB million (note 38)	RMB million	RMB million	RMB million
At 1 January 2023 . . . . .	5,470	(34)	(4)	21,441	5	519	(18,177)	9,220	8,415
Profit for the year . . . . .	-	-	-	-	-	-	11,953	11,953	(1,509)
Other comprehensive income for the year:									
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	-	-	16	-	-	-	-	16	-
Share of other comprehensive income of joint ventures and associates . . . . .	-	-	(7)	-	-	-	-	(7)	-
Exchange differences on translation of foreign operations . . . . .	-	-	-	-	(419)	-	-	(419)	-
Total comprehensive income for the year . . . . .	-	-	9	-	(419)	-	11,953	11,543	(1,509)
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . . . . .	-	-	(36)	-	-	-	36	-	-
Business combination under common control . . . . .	-	-	-	(4,050)	-	-	-	(4,050)	-
Acquisition of non-controlling interests . . . . .	-	-	-	(754)	-	-	-	(754)	712
Deemed contribution from one shareholder . . . . .	-	-	-	128	-	-	-	128	-
Share of other reserves of joint ventures and associates . . . . .	-	-	-	98	-	-	-	98	(2)
Capital contribution from non-controlling shareholders . . . . .	-	-	-	156	-	-	-	156	729
Transfer to safety production reserve . . . . .	-	-	-	36	-	-	(36)	-	-
Dividend declared . . . . .	-	-	-	-	-	-	(1,094)	(1,094)	-
Others . . . . .	-	34	-	170	-	-	-	204	5
At 31 December 2023 . . . . .	5,470	-	(31)	17,225	(414)	519	(7,318)	15,451	(870)

## Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital	Other comprehensive income*	Share-based compensation*	Other reserves*	Exchange fluctuation reserve*	Surplus reserves*	Accumulated (loss)/retained profits*	Total	Non-controlling interests	Total equity
	RMB million (note 36)	RMB million	RMB million	RMB million (note 38)	RMB million	RMB million (note 38)	RMB million	RMB million	RMB million	RMB million
At 1 January 2024 . . . . .	5,470	(31)	–	17,225	(414)	519	(7,318)	15,451	(870)	14,581
Profit for the year . . . . .	–	–	–	–	–	–	14,135	14,135	199	14,334
Other comprehensive income for the year: . . . . .										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	–	52	–	–	–	–	–	52	–	52
Share of other comprehensive income of joint ventures and associates . . . . .	–	(12)	–	–	–	–	–	(12)	–	(12)
Exchange differences on translation of foreign operations . . . . .	–	–	–	–	131	–	–	131	–	131
Total comprehensive income for the year . . . . .	–	40	–	–	131	–	14,135	14,306	199	14,505
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . . . . .	–	(30)	–	–	–	–	30	–	–	–
Business combination under common control . . . . .	–	–	–	(7,320)	–	–	–	(7,320)	–	(7,320)
Acquisition of subsidiaries . . . . .	–	–	–	–	–	–	–	–	439	439
Acquisition of non-controlling interests . . . . .	–	–	–	(40)	–	–	–	(40)	(77)	(117)
Disposal of subsidiaries . . . . .	–	–	–	(153)	–	–	–	(153)	(132)	(285)
Share-based compensation . . . . .	–	–	2,016	–	–	–	–	2,016	–	2,016
Share of other reserves of joint ventures and associates . . . . .	–	–	–	183	–	–	–	183	–	183
Capital contribution from non-controlling shareholders . . . . .	–	–	–	15	–	–	–	15	25	40
Transfer to safety production reserve . . . . .	–	–	–	27	–	–	(27)	–	–	–
Contribution from the shareholders . . . . .	–	–	–	2,012	–	–	–	2,012	(105)	1,907
Transfer from retained profits . . . . .	–	–	–	–	–	2,073	(2,073)	–	–	–
Others . . . . .	–	–	–	18	–	–	–	18	(43)	(25)
At 31 December 2024 . . . . .	5,470	(21)	2,016	11,967	(283)	2,592	4,747	26,488	(564)	25,924

## Three months ended 31 March 2024 (unaudited)

	Attributable to owners of the parent									
	Share capital	Other comprehensive income	Share-based compensation	Other reserves	Exchange fluctuation reserve	Surplus reserves	Accumulated loss	Total	Non-controlling interests	Total equity
	RMB million (note 36)	RMB million (note 38)	RMB million (note 38)	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2024 . . . . .	5,470	(31)	–	17,225	(414)	519	(7,318)	15,451	(870)	14,581
Profit for the period . . . . .	–	–	–	–	–	–	2,712	2,712	(236)	2,476
Other comprehensive income for the period: . . . . .										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	–	13	–	–	–	–	–	13	–	13
Share of other comprehensive income of joint ventures and associates . . . . .	–	(36)	–	–	–	–	–	(36)	–	(36)
Exchange differences on translation of foreign operations . . . . .	–	–	–	–	62	–	–	62	–	62
Total comprehensive income for the period . . . . .	–	(23)	–	–	62	–	2,712	2,751	(236)	2,515
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . . . . .	–	(30)	–	–	–	–	30	–	–	–
Business combination under common control . . . . .	–	–	–	(7,320)	–	–	–	(7,320)	–	(7,320)
Acquisition of subsidiaries . . . . .	–	–	–	–	–	–	–	–	439	439
Acquisition of non-controlling interests . . . . .	–	–	–	(7)	–	–	–	(7)	(51)	(58)
Share-based compensation . . . . .	–	–	1,632	–	–	–	–	1,632	–	1,632
Share of other reserves of joint ventures and associates . . . . .	–	–	–	19	–	–	–	19	–	19
Capital contribution from non-controlling shareholders . . . . .	–	–	–	–	–	–	–	–	1	1
Transfer to safety production reserve . . . . .	–	–	–	6	–	–	(6)	–	–	–
Contribution from the shareholders . . . . .	–	–	–	1,894	–	–	–	1,894	(158)	1,736
Others . . . . .	–	–	–	5	–	–	–	5	(57)	(52)
At 31 March 2024 . . . . .	5,470	(84)	1,632	11,822	(352)	519	(4,582)	14,425	(932)	13,493

## Three months ended 31 March 2025

	Attributable to owners of the parent							Non-controlling interests	Total equity	
	Share capital	Other comprehensive income*	Share-based compensation*	Other reserves*	Exchange fluctuation reserve*	Surplus reserves*	Retained profits*			
	RMB million (note 36)	RMB million	RMB million	RMB million (note 38)	RMB million	RMB million (note 38)	RMB million	RMB million	RMB million	RMB million
At 1 January 2025 . . . . .	5,470	(21)	2,016	11,967	(283)	2,592	4,747	26,488	(564)	25,924
Profit for the period . . . . .	-	-	-	-	-	-	4,650	4,650	76	4,726
Other comprehensive income for the period: . . . . .										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	-	(24)	-	-	-	-	-	(24)	-	(24)
Share of other comprehensive income of joint ventures and associates . . . . .	-	11	-	-	-	-	-	11	-	11
Exchange differences on translation of foreign operations . . . . .	-	-	-	-	(1,017)	-	-	(1,017)	-	(1,017)
Total comprehensive income for the period . . . . .	-	(13)	-	-	(1,017)	-	4,650	3,620	76	3,696
Disposal of interest in subsidiaries without loss of control . . . . .	-	-	-	282	-	-	-	282	(273)	9
Disposal of subsidiaries . . . . .	-	-	-	-	-	-	-	-	(84)	(84)
Share-based compensation . . . . .	-	-	131	-	-	-	-	131	-	131
Share of other reserves of joint ventures and associates . . . . .	-	-	-	15	-	-	-	15	-	15
Capital contribution from non-controlling shareholders . . . . .	-	-	-	9	-	-	-	9	26	35
Transfer to safety production reserve . . . . .	-	-	-	28	-	-	(28)	-	-	-
Contribution from the shareholders . . . . .	-	-	-	40	-	-	-	40	17	57
Dividend declared . . . . .	-	-	-	-	-	-	(3,993)	(3,993)	-	(3,993)
Others . . . . .	-	-	-	3	-	-	-	3	2	5
At 31 March 2025 . . . . .	5,470	(34)	2,147	12,344	(1,300)	2,592	5,376	26,595	(800)	25,795

\* These reserve accounts comprise the consolidated reserves of RMB3,784 million, RMB9,981 million, RMB21,018 million and RMB21,125 million in the consolidated statements of financial position at the end of each of the Relevant Periods, respectively.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Three months ended 31 March	
	Notes	2022	2023	2024	2024	2025
		RMB million	RMB million	RMB million	RMB million	RMB million
					(unaudited)	
CASH FLOWS FROM						
OPERATING ACTIVITIES						
Profit before tax . . . . .		6,508	13,305	16,612	3,171	5,767
Adjustments for:						
Finance costs . . . . .	7	1,405	1,617	2,310	692	872
Share of profits and losses of joint ventures and associates . . . . .		(887)	(1,236)	(1,446)	(446)	(210)
Depreciation and amortisation of non-current assets . . . . .	6	2,004	2,481	3,849	520	908
Gain on disposal of items of property, plant and equipment . .	5	(96)	(13)	(59)	(7)	(23)
Fair value (gains)/losses on derivative financial instruments .		(230)	265	(52)	(16)	–
Fair value gains on financial assets at fair value through profit or loss . . . . .		(62)	(27)	(69)	(42)	(72)
Provision for impairment of assets . . . . .	6	770	347	1,193	13	424
Other income from investing activities . . . . .		(930)	(1,308)	(1,100)	–	(179)
Assets-related government grants released . . . . .		(88)	(77)	(163)	(56)	(57)
Employee benefit contributed by one shareholder . . . . .		147	128	–	–	–
Share-based compensation . . . . .		–	–	2,016	1,632	131
Effect of foreign exchange rate changes, net. . . . .		(24)	177	193	98	(5)
		8,517	15,659	23,284	5,559	7,556
(Increase)/decrease in restricted bank deposits . . . . .		(20)	345	512	198	(228)
(Increase)/decrease in inventories .		(6,694)	(20,081)	(7,519)	1,659	(1,941)
Increase in trade receivables . . . .		(3,180)	(1,840)	(2,740)	(212)	(4,004)
(Increase)/decrease in bills receivables . . . . .		(465)	(4,638)	10,081	9,569	440
Decrease in contract assets . . . . .		271	770	479	13	–

Notes	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i>
(Increase)/decrease in prepayments, other receivables and other assets . . . . .	(4,367)	(2,170)	(1,697)	1,611	12
(Increase)/decrease in financial assets at fair value through other comprehensive income . . . . .	(1,266)	(2,074)	(3,109)	2,610	5,725
Increase in capitalised development expenditures . . . . .	(482)	(185)	(1,301)	(69)	(488)
Increase in trade and bills payables . . . . .	6,669	22,703	23,490	671	1,121
Increase/(decrease) in other payables and accruals . . . . .	7,574	5,126	313	(5,604)	(2,487)
Increase in deferred income . . . . .	–	–	3,727	3,727	–
Increase/(decrease) in contract liabilities . . . . .	2,824	10,559	(3,295)	(4,818)	(2,231)
Increase in provision . . . . .	1,116	3,030	3,952	1,518	1,446
Cash generated from operations . .	10,497	27,204	46,177	16,432	4,921
Income tax paid . . . . .	(655)	(2,279)	(1,290)	(396)	(383)
Net cash flows from operating activities . . . . .	9,842	24,925	44,887	16,036	4,538
CASH FLOWS FROM					
INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment . . . . .	(5,471)	(6,293)	(7,305)	(2,543)	(1,906)
Purchases of other intangible assets . . . . .	(85)	(133)	(319)	(12)	(42)
Receipt of government grants for non-current assets . . . . .	399	787	623	123	22
Additions to right-of-use assets . .	(29)	(40)	(57)	(1)	(18)
Disposal of right-of-use assets . . .	32	–	–	–	–
Advance to related parties . . . . .	(6,439)	(9,580)	–	–	–
Repayments of related parties . . . .	5,555	15,513	13,716	13,716	–
Placement of time deposits . . . . .	(107,017)	(92,703)	(34,866)	(24,402)	(11,775)
Maturity of time deposits . . . . .	111,265	93,065	32,301	2,340	3,099
Investments in debt investments . .	(574)	–	–	–	–
Recovery of debt investments . . . .	62	132	380	380	–
Purchases of financial assets at fair value through profit or loss	(17,092)	(12,755)	(25,344)	(10,833)	(55,286)

	<i>Notes</i>	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i>
Proceeds on disposal of financial assets at fair value through profit or loss . . . . .		14,387	15,354	18,224	10,598	45,690
Proceeds on disposal of items of property, plant and equipment . .		246	162	305	183	36
Proceeds on disposal of other intangible assets . . . . .		17	1	2	–	–
Purchases of equity investments designated at fair value through other comprehensive income . .		(15)	(25)	–	–	–
Proceeds on disposal of equity investments designated at fair value through other comprehensive income . . . . .		112	67	68	68	–
Settlement on derivative financial instruments . . . . .		(63)	550	(270)	(100)	–
Investments in joint ventures and associates . . . . .		(666)	(714)	(493)	–	–
Proceeds on disposal of investments in joint ventures and associates . . . . .		289	339	33	31	55
Disposal of subsidiaries. . . . .		9	12	179	–	(51)
Acquisition of a subsidiary . . . . .	40(e)	–	–	(800)	(800)	–
Interest received . . . . .		110	117	233	77	61
Dividends received. . . . .		19	167	213	1	20
Increase in restricted bank deposits . . . . .		–	–	–	–	(2,000)
Net cash flows (used in)/generated from investing activities. . . . .		<u>(4,949)</u>	<u>4,023</u>	<u>(3,177)</u>	<u>(11,174)</u>	<u>(22,095)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from interest-bearing bank loans and other borrowings . . . . .		39,396	48,107	34,024	17,844	8,028
Repayments of interest-bearing bank loans and other borrowings . . . . .		(41,114)	(42,103)	(47,990)	(19,981)	(11,320)
Interest paid for interest-bearing bank loans and other borrowings . . . . .		(944)	(1,338)	(1,900)	(711)	(780)
Payments of listing expenses . . . . .		–	–	–	–	(7)



**APPENDIX I**
**ACCOUNTANTS' REPORT**

	<i>Notes</i>	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (unaudited)	<i>RMB million</i>
Acquisition of subsidiaries under common control . . . . .		–	(11,053)	–	–	–
Acquisition of non-controlling interests . . . . .		–	(37)	(117)	(58)	–
Repayments of bonds payables . . .		(2)	(696)	–	–	–
Principal portion of lease payments . . . . .		(85)	(94)	(199)	(63)	(27)
Proceeds from long-term payables . . . . .		2,367	1,261	1,623	6	257
Repayments of long-term payables . . . . .		(561)	(296)	(552)	(94)	(55)
Capital contribution from non-controlling shareholders . . .		118	885	40	1	35
Dividends paid . . . . .		–	(1,094)	–	–	(3,993)
Contribution from shareholders . . .		–	–	1,288	1,260	14
Disposal of interest in subsidiaries without loss of control . . . . .		–	–	–	–	10
Net cash flows used in financing activities . . . . .		<u>(825)</u>	<u>(6,458)</u>	<u>(13,783)</u>	<u>(1,796)</u>	<u>(7,838)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS . . . . .		4,068	22,490	27,927	3,066	(25,395)
Cash and cash equivalents at beginning of year/period. . . . .		8,476	12,686	35,048	35,048	62,693
Effect of foreign exchange rate changes, net. . . . .		<u>142</u>	<u>(128)</u>	<u>(282)</u>	<u>(138)</u>	<u>200</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD . . . . .		<u>12,686</u>	<u>35,048</u>	<u>62,693</u>	<u>37,976</u>	<u>37,498</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances . . . . .		18,978	40,633	70,331	65,425	56,040
Less: Time deposits . . . . .	26(c)	(5,360)	(4,998)	(7,563)	(27,060)	(16,239)
Less: Restricted bank deposits . . .	26(b)	<u>(932)</u>	<u>(587)</u>	<u>(75)</u>	<u>(389)</u>	<u>(2,303)</u>
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows . . . . .		<u>12,686</u>	<u>35,048</u>	<u>62,693</u>	<u>37,976</u>	<u>37,498</u>

## STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	As at 31 December	As at 31 December	As at 31 March
	Notes	2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
NON-CURRENT ASSETS					
Property, plant and equipment . . . . .	13	8,364	12,977	15,259	16,272
Right-of-use assets . . . . .	14(a)	748	654	2,178	2,146
Other intangible assets . . . . .	15	423	472	1,407	1,781
Investments in joint ventures . . . . .	16	7,531	8,152	9,273	10,248
Investments in associates . . . . .	17	1,671	1,319	2,014	1,181
Investments in subsidiaries . . . . .	1	9,715	12,795	15,708	15,862
Equity investments designated at fair value through other comprehensive income . . . . .	18	282	270	260	248
Prepayments, other receivables and other assets . . . . .	19	433	7,160	653	339
Deferred tax assets . . . . .	33	3,440	2,107	2,388	2,404
Restricted bank deposits . . . . .	26(b)	5	—	—	—
Total non-current assets . . . . .		32,612	45,906	49,140	50,481
CURRENT ASSETS					
Inventories . . . . .	21	5,177	9,743	9,721	9,504
Trade receivables . . . . .	22	9,585	16,785	45,005	51,283
Bills receivables . . . . .	23	3,485	4,636	477	1,089
Prepayments, other receivables and other assets . . . . .	19	20,047	21,832	10,075	14,241
Prepaid income tax . . . . .		33	54	—	—
Financial assets at fair value through profit or loss . . . . .	20	6,025	5,212	19,118	29,265
Financial assets at fair value through other comprehensive income . . . . .	25	1,903	1,338	4,557	1,291
Time deposits . . . . .	26(c)	503	1,657	5,914	13,721
Restricted bank deposits . . . . .	26(b)	296	25	—	2,000
Cash and cash equivalents . . . . .	26(a)	5,693	19,433	55,287	28,757
Total current assets . . . . .		52,747	80,715	150,154	151,151

# APPENDIX I

# ACCOUNTANTS' REPORT

		As at 31 December	As at 31 December	As at 31 December	As at 31 March
	Notes	2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
CURRENT LIABILITIES					
Trade and bills payables . . . . .	27	26,788	44,759	79,780	80,718
Other payables and accruals . . . . .	28	18,415	27,699	47,907	49,938
Interest-bearing bank loans . . . . .	30	10,383	13,379	9,566	6,796
Bonds payables . . . . .	31	71	–	–	–
Lease liabilities . . . . .	14(b)	9	4	127	244
Tax payable . . . . .		–	–	2,158	2,598
Contract liabilities . . . . .	32	4,543	8,873	4,338	4,709
Provision . . . . .	35	635	1,492	2,682	2,928
Deferred income . . . . .	34	19	16	118	865
Total current liabilities . . . . .		60,863	96,222	146,676	148,796
NET CURRENT (LIABILITIES)/ASSETS . . . .		(8,116)	(15,507)	3,478	2,355
TOTAL ASSETS LESS CURRENT					
LIABILITIES . . . . .		24,496	30,399	52,618	52,836
NON-CURRENT LIABILITIES					
Other payables and accruals . . . . .	28	839	1,995	2,727	2,723
Interest-bearing bank loans . . . . .	30	10,747	5,403	2,640	2,640
Bonds payables . . . . .	31	625	–	–	–
Lease liabilities . . . . .	14(b)	8	5	1,524	1,415
Deferred income . . . . .	34	176	709	4,974	4,026
Provision . . . . .	35	1,453	2,842	4,956	5,262
Total non-current liabilities . . . . .		13,848	10,954	16,821	16,066
Net assets . . . . .		10,648	19,445	35,797	36,770
EQUITY					
Equity attributable to owners of the parent					
Share capital . . . . .	36	5,470	5,470	5,470	5,470
Reserves . . . . .	38	5,178	13,975	30,327	31,300
Total equity . . . . .		10,648	19,445	35,797	36,770

## II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

## 1. CORPORATE AND GROUP INFORMATION

Chery Automobile Co., Ltd. (formerly known as “Anhui Auto Parts Co., Ltd.”, hereinafter “the Company”) was incorporated and registered in the People’s Republic of China (hereinafter referred to as “PRC”) as a limited liability company in 1997. On March 24, 2008, the Company was converted into a joint stock limited company. The registered office of the Company is located at No. 8, Changchun Road, Wuhu City, Anhui.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “Group”) were principally engaged in the manufacturing and sales of passenger vehicles, automotive parts and components.

In the opinion of the directors, before the equity transfer, the holding company and the ultimate holding company of the Company is Chery Holding Group Co., Ltd. (the “Chery Holding”), which is incorporated in PRC. In January 2025, an equity transfer was carried out by Chery Holding. Under the equity transfer, the shares of the Company directly held by Chery Holding were transferred to the shareholders of Chery Holding on a pro rata basis. The equity transfer was completed on January 20, 2025. Upon completion of the equity transfer, Chery Holding no longer holds any shares in the Company, and the Company has neither holding company nor ultimate holding company.

As at the date of this report and during the Relevant Periods, the particulars of the Company’s principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Anhui Chery Automobile Sales Co., Ltd.* (安徽奇瑞汽車銷售有限公司) (note (a)). . . . .	Mainland China 14 August 2000	RMB3,000 million	100	–	Sales of passenger vehicles
JSC Chery Automobile RUS (note (b)). . . . .	Russia 5 December 2005	Russian Ruble (“RUB”) 12 million	100	–	Sales of passenger vehicles
Chery New Energy Automobile Co., Ltd.* (奇瑞新能源汽車股份有限公司) (note (c)). . . . .	Mainland China 22 April 2010	RMB1,034 million	48.20	–	Manufacturing and sales of passenger vehicles
Wuhu Acteco Powertrain Co., Ltd.* (蕪湖埃科泰克動力總成有限公司) (note (a)). . . . .	Mainland China 29 September 2005	RMB2,000 million	100	–	Manufacturing and sales of automotive parts and components
Wuhu Chery Technology Co., Ltd.* (蕪湖奇瑞科技有限公司) (note (a)). . . . .	Mainland China 21 November 2001	RMB1,893 million	100	–	Manufacturing and sales of automotive parts and components
Wuhu Jetour Automobile Sales Co., Ltd.* (蕪湖捷途汽車銷售有限公司) (note (d)). . . . .	Mainland China 28 April 2017	RMB500 million	100	–	Sales of passenger vehicles
Soueast Motor Corporation Ltd.* (東南(福建)汽車工業股份有限公司) (note (e)). . . . .	Mainland China 21 May 1992	RMB2,784 million	–	70	Manufacturing and sales of passenger vehicles
iCAR Ecological Technology Co., Ltd.* (愛咖生態科技有限公司) (note (f)). . . . .	Mainland China 18 November 2015	RMB1,000 million	–	48.20	Sales of passenger vehicles
Wuhu Chery Auto Parts Procurement Co., Ltd.* (蕪湖奇瑞汽車零部件採購有限公司) (note (a)). . . . .	Mainland China 29 September 2005	RMB5 million	60	40	Supply Chain Management

*Notes:*

- (a) The statutory financial statements of these entities for the year ended 31 December 2022 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Zhongqin Wanxin Certified Public Accountants LLP (中勤萬信會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China. The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by RSM Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China.
- (b) The statutory financial statements of this entity for the years ended 31 December 2022 and 2023 prepared in accordance with Russian Accounting Standards were audited by HelpAudit LLC (Общество с ограниченной ответственностью «ХЭЛП-АУДИТ»), certified public accountants registered in Russia. The statutory financial statements of this entity for the year ended 31 December 2024 prepared in accordance with Russian Accounting Standards were audited by Gruppa Financy LLC (ООО «ГРУППА ФИНАНСЫ»), certified public accountants registered in Russia.
- (c) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by RSM Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China.
- (d) The statutory financial statements of this entity for the years ended 31 December 2022 and 2023 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Anhui Xinzhongtian Certified Public Accountants Co., Ltd. (安徽新中天會計師事務所有限公司), certified public accountants registered in the Mainland China. The statutory financial statements of this entity for the year ended 31 December 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by RSM Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China.
- (e) On 18 February 2024, the Group acquired Soueast Motor Corporation Ltd. Further details of this acquisition are included in notes 40 and 46 to the Historical Financial Information. The statutory financial statements of the entity for the year ended 31 December 2022 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by Grant Thornton Certified Public Accountants LLP Fuzhou Branch (致同會計師事務所(特殊普通合夥)福州分所), certified public accountants registered in the Mainland China. The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises were audited by RSM Certified Public Accountants LLP (容誠會計師事務所(特殊普通合夥)), certified public accountants registered in the Mainland China.
- (f) No audited financial statements have been prepared for the entity for the years ended 31 December 2022, 2023 and 2024, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation. The entity is a wholly-owned subsidiary of Chery New Energy Automobile Co., Ltd.
- \* The English names of the PRC companies above represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

**The Company**

The carrying amounts of the Company's investments in subsidiaries are as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Investment, at cost . . . . .	10,252	13,332	16,245	16,399
Impairment . . . . .	(537)	(537)	(537)	(537)
Total . . . . .	<u>9,715</u>	<u>12,795</u>	<u>15,708</u>	<u>15,862</u>

**2.1 BASIS OF PREPARATION**

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA and accounting principles generally accepted in Hong Kong.

All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, financial assets at fair value through other comprehensive income and derivative financial instruments which have been measured at fair value.

The Group's net current liabilities amounted to RMB4,760 million, RMB17,388 million, RMB3,401 million and RMB2,788 million at 31 December 2022, 2023 and 2024 and 31 March 2025, respectively. Taking into account the available facilities from banks and cash flows from operations for the twelve months from 31 March 2025, the directors of the Company believe that the Group will have sufficient financial resources to settle the borrowings and payments that will be due within next twelve months and consequently, the Historical Financial Information has been prepared on a going concern basis.

**Basis of consolidation**

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

## 2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18 . . . . .	<i>Presentation and Disclosure in Financial Statements</i> <sup>2</sup>
HKFRS 19 . . . . .	<i>Subsidiaries without Public Accountability: Disclosures</i> <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . .	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7 . . . .	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28 . . . .	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>3</sup>
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11 . . . . .</i>	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> <sup>1</sup>

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. HKFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures in a note and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation in the statement of profit or loss, statement of comprehensive income and disclosures of the Group's financial performance. Currently, the Group considers that these new and revised HKFRS Accounting Standards are unlikely to have a significant impact on the Group's financial performance and financial position.

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION

### Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### **Business combination under common control**

The consolidated financial statements incorporate the financial statements items of the combining businesses in which the common control combination occurs as if they had been combined from the date when the combining businesses first came under the control of the controlling party.

The net assets of the combining businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated income statement includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

#### **Business combinations other than under common control and goodwill**

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.



After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### **Fair value measurement**

The Group measures its certain of bills, wealth management products, derivative financial instruments and equity investments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

**Impairment of non-financial assets**

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

**Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;
- or
- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

**Property, plant and equipment and depreciation**

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Principal annual rate
Buildings . . . . .	2.71%-12.50%
Machinery and molds . . . . .	6.33%-25.00%
Electronic equipments and others . . . . .	9.50%-25.00%
Vehicles . . . . .	9.50%-33.33%
Leasehold improvements . . . . .	6.67%-33.33%
Freehold lands . . . . .	0%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

**Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

**Software**

Purchased software and others is stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 2 to 10 years.

**Patents**

Patents are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 to 5 years.

**Research and Development costs**

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products of 3-5 years, commencing from the date when the products are put into commercial production.

**Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*(a) Right-of-use assets*

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land . . . . .	50 years
Buildings . . . . .	2 to 20 years
Machinery. . . . .	2 to 10 years
Vehicles and others . . . . .	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

*(b) Lease liabilities*

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of buildings and machinery (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of machinery, vehicles and others that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**Investments and other financial assets**

***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

***Subsequent measurement***

The subsequent measurement of financial assets depends on their classification as follows:

***Financial assets at amortised cost (debt instruments)***

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

***Financial assets at fair value through other comprehensive income (debt instruments)***

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

*Financial assets designated at fair value through other comprehensive income (equity investments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***General approach***

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group assesses on a forward looking basis the expected credit losses and the impairment methodology applied depends on whether there has been a significant increase in credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- |         |   |  |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs   |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs                          |

***Simplified approach***

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial liabilities*****Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, derivative financial instruments, interest-bearing bank loans and other borrowings and bonds payables.

***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at amortised cost (trade and bills payables, other payables and accruals, interest-bearing bank loans and other borrowings and bonds payables)*

After initial recognition, trade and bills payables, other payables and accruals, interest-bearing bank loans and other borrowings and bonds payables are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

***Financial guarantee contracts***

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

**Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



**Derivative financial instruments*****Initial recognition and subsequent measurement***

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

**Inventories**

Inventories are stated at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition comprises direct materials, direct labour and an appropriate proportion of overheads and are accounted for as follows:

Raw materials . . . . .	Purchase cost on the weighted average basis
Finished goods and work in progress . .	Cost of direct materials, labors and an appropriate proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs

Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

**Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

**Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

The Group provides for warranties in relation to the sales of passenger vehicles, automotive parts and components. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

**Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

**Revenue recognition*****Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

***(a) Sale of goods***

The Group manufactures and sells a range of passenger vehicles, automotive parts and components. Sales revenue are recognised when control of the goods has been transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods.

The Group provides sales rebate and discounts to certain customers for sales of passenger vehicles, automotive parts and components, and the relevant revenue is recognized based on contract consideration net of the estimated sales rebate and discount amount.

Passenger vehicles are often sold with volume rebates. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

***(b) Rendering of services***

The services rendered include automobile repair and maintenance services, extended warranty services, technology development services, etc. Should one of the following conditions is satisfied, service provided by the Group, is a performance obligation performed within a certain period of time. The Group recognizes revenue within a period of time in accordance with the progress of contract performance. The conditions are: (1) The customer obtains and consumes the economic benefits brought by the contract at the same time performing the contract; (2) The customer is able to control the products under construction during the Group's performance; (3) The products of the Group have irreplaceable uses, and the Group has the right to ask for payment for the cumulative part that has been completed so far during the entire contract period. Otherwise, the Group recognises revenue at the point the customer obtains control of the relevant services.

***Other income***

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

**Contract assets**

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

**Contract liabilities**

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**Share-based payments**

The Company operates several equity-settled, share-based compensation plans (the "Plan"). Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a black-scholes model, further details of which are given in note 37 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

**Other employee benefits*****Pension scheme***

The employees of the Group's subsidiaries which operate in Mainland China and overseas are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statements of profit or loss as they become payable in accordance with the rules of the central pension scheme.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Dividends**

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

**Foreign currencies**

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB, mainly including RUB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

***Business model***

The classification of financial assets at initial recognition depends on the business model the Group adopts to manage financial assets. In judging the business model, the Group considers, among others, the methods by which it assesses and the way by which it reports to the key managers about the results of financial assets, the risks confronted by the results of financial assets and relevant risks management methods, and the way determining the compensation of business operators. When determining whether the business model maintained for the purpose of receiving contractual cash flows, the Group needs to analyse the reasons for selling financial assets before expiry dates, the time, frequency and consideration of the selling.

***Consolidation of entities in which the Group holds less than a majority of voting rights***

The Group considers that it controls Chery New Energy Automobile Co., Ltd. and its subsidiaries including iCAR Ecological Technology Co., Ltd., even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of Chery New Energy Automobile Co., Ltd. with a 48.2% equity interest. The remaining 51.8% of the equity shares in Chery New Energy Automobile Co., Ltd. are widely held by many other shareholders, and those other shareholders significantly overlap with shareholders of the Company. Besides, the Group is entitled to appoint more than 50% of directors of the board of Chery New Energy Automobile Co., Ltd. Having taken into account the significantly overlapped shareholders base of the Company and Chery New Energy Automobile Co., Ltd., the Group considers that it controls Chery New Energy Automobile Co., Ltd. and its subsidiaries.

***Significant influence over associates in which the Group holds less than 20% of shareholding***

The Group's equity shares of some associates are less than 20%. Considering the Group is entitled to appoint and has appointed directors to the board of directors of those associates, and has participated in policy-making processes of those associates, the Group concludes that it has a significant influence over those associates and considers them as associates.

***Government grants***

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The Group applies judgement in evaluating whether or not all attaching conditions will be complied with, taking into account of all relevant factors, and the information available.

***Estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

***Provision for expected credit losses***

The Group calculates expected credit losses through default risk exposure and expected credit loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience, etc. and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, external market environment, technological environment and changes in customer situations. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses.

***Impairment of non-financial assets (other than goodwill)***

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the Relevant Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

***Leases — Estimating the incremental borrowing rate***

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

***Deferred tax assets***

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 33 to the Historical Financial Information.

***Development costs***

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.3 to the Historical Financial Information. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

***Warranty provisions***

Provisions for warranties granted by the Group for the passenger vehicles sold are recognized based on sales volumes and past experiences of costs for repairs and replacement, among others. The estimate of unit warranty cost may not be equal to the actual warrant costs in the future. The Group reassesses the unit warranty cost at least annually and the unit warranty cost is revised when appropriate.

***Impairment of inventory***

Inventories are stated at the lower of cost and net realizable value at the end of each reporting period. The net realisable value is the estimated selling price in the current course of business, less applicable costs, selling expenses and tax charges. Management of the Group make the best estimate on the net realizable value and the corresponding impairment of inventory, while the impairment assessment may still be significantly changed due to the change of market conditions.

***Variable consideration for sales rebates***

The Group estimates variable consideration to be included in the transaction price for the sale of passenger vehicles with rebates.



Management assesses the expected rebates based on factors primarily consist of the customer's historical rebate entitlement, accumulated purchases to date, accumulated retails to date, etc. Any significant changes in experience as compared to historical patterns and rebate entitlements of customers will impact the expected rebate estimated by the Group.

The Group updates its assessment of expected rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected rebates are sensitive to changes in circumstances and the Group's past experience regarding rebate entitlements may not be representative of customers' actual rebate entitlements in the future.

#### 4. OPERATING SEGMENT INFORMATION

During the Relevant Periods, the Group was principally engaged in the manufacturing and sales of passenger vehicles and automotive parts and components in the PRC and overseas. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

The following table shows the Group's total consolidated revenue by location of customers:

##### Geographical information

##### (a) Revenue from external customers

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
PRC (including Hong Kong, Macau and Taiwan) . . . . .	62,231	86,145	169,000	34,534	41,934
Other countries/regions . . . . .	30,387	77,060	100,897	20,376	26,289
Total revenue . . . . .	<u>92,618</u>	<u>163,205</u>	<u>269,897</u>	<u>54,910</u>	<u>68,223</u>

The revenue information above is based on the locations of the customers.

##### (b) Non-current assets

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
PRC (including Hong Kong, Macau and Taiwan) . . . . .	26,807	42,231	45,142	46,918
Other countries/regions . . . . .	34	126	637	600
Total non-current assets . . . . .	<u>26,841</u>	<u>42,357</u>	<u>45,779</u>	<u>47,518</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.



**Information about major customers**

External customers from which the revenue amounted to over 10% of the total revenue of the Group for each of the Relevant Periods and the three months ended 31 March 2024 were as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Customer A . . . . .	*	*	*	*	7,285

\* Less than 10% of the Group's revenue

**5. REVENUE, OTHER INCOME AND GAINS**

An analysis of revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Revenue from contracts with customers . . . . .	<u>92,618</u>	<u>163,205</u>	<u>269,897</u>	<u>54,910</u>	<u>68,223</u>

**Revenue from contracts with customers****(a) Disaggregated revenue information**

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Types of goods or services					
Passenger vehicles . . . . .	82,511	151,228	246,822	50,547	61,639
Automotive parts and components . . . . .	8,675	8,904	15,864	2,936	5,743
Others . . . . .	1,432	3,073	7,211	1,427	841
Total . . . . .	<u>92,618</u>	<u>163,205</u>	<u>269,897</u>	<u>54,910</u>	<u>68,223</u>
Timing of revenue recognition					
Recognized at a point in time . . . . .	92,518	163,081	269,676	54,862	68,152
Recognized over time . . . . .	100	124	221	48	71
Total . . . . .	<u>92,618</u>	<u>163,205</u>	<u>269,897</u>	<u>54,910</u>	<u>68,223</u>

The following table shows the amounts of revenue recognised in each reporting period that were included in the contract liabilities at the beginning of each reporting period:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Sales of goods or services . . . . .	<u>5,206</u>	<u>8,030</u>	<u>18,589</u>	<u>13,332</u>	<u>13,521</u>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sale of passenger vehicles, automotive parts and components*

The Group mainly manufactures and sells a range of passenger vehicles, automotive parts and components to its customers. Sales revenue are recognised when control of the goods is transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Payment in advance is normally required, except for some long-standing customers with bulk purchases and good credit standing, where payment is generally due from 30 to 180 days from delivery.

For the performance obligations, they are generally satisfied within less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations.

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
<u>Other income</u>					
Bank interest income . . . . .	806	1,117	960	250	214
Additional deduction for value-added tax . . . . .	2	205	762	20	148
Research and development subsidies . . . . .	510	514	765	136	150
Other subsidies . . . . .	364	704	1,092	473	155
Investment income . . . . .	817	1,243	1,085	(6)	198
Others . . . . .	<u>431</u>	<u>815</u>	<u>1,407</u>	<u>236</u>	<u>253</u>
Sub-total other income . . . . .	<u>2,930</u>	<u>4,598</u>	<u>6,071</u>	<u>1,109</u>	<u>1,118</u>
<u>Gains/(losses)</u>					
Gain on disposal of items of property, plant and equipment . . . . .	96	13	59	7	23
Fair value gains/(losses) on derivative financial instruments, net . . . . .	230	(265)	52	16	–
Fair value gains on financial assets at fair value through profit or loss . . . . .	62	27	69	42	72
Foreign exchange gain/(losses), net . . . . .	<u>504</u>	<u>(141)</u>	<u>–</u>	<u>–</u>	<u>2,439</u>
Sub-total gains/(losses) . . . . .	<u>892</u>	<u>(366)</u>	<u>180</u>	<u>65</u>	<u>2,534</u>
Total other income and gains . . . . .	<u>3,822</u>	<u>4,232</u>	<u>6,251</u>	<u>1,174</u>	<u>3,652</u>

## 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging or crediting:

	Notes	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Cost of inventories sold* . . . .		79,041	135,515	231,316	46,044	59,077
Depreciation of property, plant and equipment . . . . .	13	1,601	1,929	2,864	320	654
Amortisation of other intangible assets . . . . .	15	284	429	672	128	176
Depreciation of right-of-use assets . . . . .	14(a)	119	123	313	72	78
Research and development costs* . . . . .		3,646	6,664	9,243	2,224	2,272
Lease payments not included in the measurement of lease liabilities . . . . .	14(c)	76	108	151	32	43
Auditor's remuneration . . . .		2	2	12	–	1
Listing expenses . . . . .		–	–	14	–	22
Employee benefit expense (excluding directors' and supervisors' remuneration)						
Wages and salaries . . . . .		4,488	7,900	9,665	2,418	3,016
Pension scheme contributions .		266	469	652	163	230
Share-based compensation . . .		–	–	1,988	1,627	124
Impairment of financial and contract assets, net:						
Impairment/(reversal of impairment provision) of trade receivables, net . . . . .	22	173	85	15	(233)	10
Reversal of impairment provision of contract assets, net . . . . .	24	(14)	(38)	(24)	(1)	–
Impairment/(reversal of impairment provision) of financial assets included in prepayments, other receivables and other assets, net . . . . .	19	525	(270)	(249)	(190)	(23)
Written-down of inventories to net realisable value, net . . .		61	431	982	275	434
Warranty provisions, net . . . .	35	2,858	5,213	7,477	1,882	2,046
Impairment of an investment in an associate** . . . . .		–	–	336	161	–
Impairment of items of property, plant and equipment . . . . .	13	24	139	133	1	3
Impairment of intangible assets . . . . .	15	1	–	–	–	–
Foreign exchange gains/(losses), net . . . . .		504	(141)	(851)	(159)	2,439
Dividend income from equity investments at fair value through other comprehensive income*** . . . . .		19	29	32	1	13
Gain on bargain purchase****.		–	–	8	8	–

- \* Cost of inventories sold and research and development costs include expenses relating to staff cost, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.
- \*\* Impairment of an investment in an associate is included in “Other expenses” in the consolidated statement of profit or loss.
- \*\*\* Dividend income from equity investments at fair value through other comprehensive income is included in “Other income and gains” in the consolidated statement of profit or loss.
- \*\*\*\* Gain on bargain purchase is included in “Other income and gains” in the consolidated statement of profit or loss.

## 7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Interest expenses on bank loans and other borrowings . . . . .	1,243	1,375	1,919	643	787
Interest on long-term liabilities . .	153	221	290	27	60
Interest on lease liabilities . . . . .	9	21	101	22	25
Total . . . . .	<u>1,405</u>	<u>1,617</u>	<u>2,310</u>	<u>692</u>	<u>872</u>

## 8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and Supervisors' remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i> <i>(unaudited)</i>	<i>RMB thousand</i>
Fees . . . . .	<u>952</u>	<u>924</u>	<u>1,374</u>	<u>231</u>	<u>411</u>
Other emoluments:					
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)* . . . . .	9,419	10,527	23,172	7,551	6,706
Share-based compensation expenses . . . . .	<u>—</u>	<u>—</u>	<u>28,142</u>	<u>4,950</u>	<u>7,311</u>
Sub-total . . . . .	<u>9,419</u>	<u>10,527</u>	<u>51,314</u>	<u>12,501</u>	<u>14,017</u>
Total . . . . .	<u>10,371</u>	<u>11,451</u>	<u>52,688</u>	<u>12,732</u>	<u>14,428</u>

- \* Certain executive directors and supervisors of the Company are entitled to bonus payments which are related to the operating profit of the Group.

During the year ended 31 December 2024, certain directors were granted shares, in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are set out in note 37 to the Historical Financial Information. The fair value of the share-based compensation, which is recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the year ended 31 December 2024 is included in the above directors' and supervisors' remuneration disclosures.

**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i> (unaudited)	<i>RMB thousand</i>
Mr. Shang Wenjiang . . . . .	—	—	90	—	45
Mr. Yang Mianzhi . . . . .	—	—	90	—	45
Mr. Ye Shengji . . . . .	—	—	90	—	45
Mr. Lu Feng . . . . .	—	—	90	—	45
Mr. Yang Shanlin (iii) . . . . .	—	—	90	—	—
Mr. Lai Ni Hium.Frank (iv) . . . . .	—	—	—	—	30
Ms. Shi Qin (ii) . . . . .	—	—	90	—	10
Total . . . . .	—	—	540	—	220
	—	—	—	—	—

- (i) All of independent non-executive directors of the Company were appointed in March 2024.
- (ii) Ms. Shi Qin resigned as an independent non-executive director of the Company in January 2025.
- (iii) Mr. Yang Shanlin declared in June 2025 that he waived all allowances while serving as an independent non-executive director.
- (iv) Mr. Lai Ni Hium.Frank was appointed as an independent non-executive director of the Company in February 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

**(b) Executive directors, non-executive directors and supervisors**

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>
Year ended 31 December 2022				
Executive director:				
Mr. Yin Tongyue . . . . .	—	4,644	—	4,644
Non-executive directors:				
Mr. Xia Feng (i) . . . . .	40	—	—	40
Mr. Yu Zhijun (ii) . . . . .	40	—	—	40
Mr. Li Bin (iv) . . . . .	80	—	—	80
Mr. Xing Hui (v) . . . . .	120	—	—	120
Mr. Wang Jinhua (xiv) . . . . .	80	—	—	80
Mr. Wang Laisheng (vi) . . . . .	80	—	—	80

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>
Mr. Wang Zhaoyuan (vii) . . . . .	120	—	—	120
Mr. Huang Linmu (viii) . . . . .	80	—	—	80
Mr. Hu Jingyuan (ix) . . . . .	40	—	—	40
Mr. Cui Mingshou (iii) . . . . .	40	—	—	40
Mr. Huang Zuchao (x) . . . . .	120	—	—	120
Mr. Bao Siyu (xi) . . . . .	—	—	—	—
Sub-total . . . . .	840	—	—	840
Supervisors:				
Mr. Wu Yunfei . . . . .	84	—	—	84
Mr. Zhang Jinsong (xii) . . . . .	—	1,732	—	1,732
Mr. Hong Gaoming (xiii) . . . . .	—	3,043	—	3,043
Ms. Li Qingxiang (xv) . . . . .	28	—	—	28
Sub-total . . . . .	112	4,775	—	4,887
Total . . . . .	952	9,419	—	10,371

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>
Year ended 31 December 2023				
Executive director:				
Mr. Yin Tongyue . . . . .	—	5,852	—	5,852
Non-executive directors: . . . . .				
Mr. Li Bin (iv) . . . . .	45	—	—	45
Mr. Yi Lei (xvi) . . . . .	75	—	—	75
Mr. Xing Hui (v) . . . . .	120	—	—	120
Mr. Wang Jinhua (xiv) . . . . .	120	—	—	120
Mr. Wang Laisheng (vi) . . . . .	120	—	—	120
Mr. Wang Zhaoyuan (vii) . . . . .	60	—	—	60
Mr. Wang Zhaohui (xvii) . . . . .	60	—	—	60
Mr. Hu Jingyuan (ix) . . . . .	120	—	—	120
Mr. Huang Zuchao (x) . . . . .	60	—	—	60
Ms. Liu Ling (xviii) . . . . .	60	—	—	60
Mr. Bao Siyu (xi) . . . . .	—	—	—	—
Sub-total . . . . .	840	—	—	840
Supervisors:				
Mr. Wu Yunfei . . . . .	84	—	—	84
Mr. Zhang Jinsong (xii) . . . . .	—	1,816	—	1,816
Mr. Hong Gaoming (xiii) . . . . .	—	2,859	—	2,859
Sub-total . . . . .	84	4,675	—	4,759
Total . . . . .	924	10,527	—	11,451

# APPENDIX I

# ACCOUNTANTS' REPORT

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>
Year ended 31 December 2024				
Executive director:				
Mr. Yin Tongyue . . . . .	–	7,000	–	7,000
Mr. Zhang Guozhong (xix) . . . . .	–	8,590	26,470	35,060
Sub-total . . . . .	–	15,590	26,470	42,060
Non-executive directors:				
Ms. Wang Laichun (xx) . . . . .	90	–	–	90
Mr. Yi Lei (xvi) . . . . .	30	–	–	30
Mr. Xing Hui (v) . . . . .	120	–	–	120
Mr. Wang Jinhua (xiv) . . . . .	120	–	–	120
Mr. Wang Laisheng (vi) . . . . .	30	–	–	30
Mr. Wang Zhaohui (xvii) . . . . .	120	–	–	120
Mr. Hu Jingyuan (ix) . . . . .	120	–	–	120
Ms. Li Jing (xx) . . . . .	90	–	–	90
Ms. Liu Ling (xviii) . . . . .	30	–	–	30
Mr. Bao Siyu (xi) . . . . .	–	–	–	–
Sub-total . . . . .	750	–	–	750
Supervisors:				
Mr. Wu Yunfei . . . . .	84	–	–	84
Mr. Xu Hui (xxii) . . . . .	–	–	–	–
Mr. Cai Changfeng (xxi) . . . . .	–	2,529	308	2,837
Mr. Zhang Jinsong (xii) . . . . .	–	856	615	1,471
Mr. Hong Gaoming (xiii) . . . . .	–	4,197	749	4,946
Sub-total . . . . .	84	7,582	1,672	9,338
Total . . . . .	834	23,172	28,142	52,148

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>
Three months ended 31 March 2024 (unaudited)				
Executive director:				
Mr. Yin Tongyue . . . . .	–	1,750	–	1,750
Mr. Zhang Guozhong (xix) . . . . .	–	3,699	4,813	8,512
Sub-total . . . . .	–	5,449	4,813	10,262
Non-executive directors:				
Mr. Yi Lei (xvi) . . . . .	30	–	–	30
Mr. Xing Hui (v) . . . . .	30	–	–	30
Mr. Wang Jinhua (xiv) . . . . .	30	–	–	30
Mr. Wang Laisheng (vi) . . . . .	30	–	–	30
Mr. Wang Zhaohui (xvii) . . . . .	30	–	–	30
Mr. Hu Jingyuan (ix) . . . . .	30	–	–	30
Ms. Liu Ling (xviii) . . . . .	30	–	–	30
Mr. Bao Siyu (xi) . . . . .	–	–	–	–
Sub-total . . . . .	210	–	–	210
Supervisors:				
Mr. Wu Yunfei . . . . .	21	–	–	21
Mr. Zhang Jinsong (xii) . . . . .	–	214	62	276
Mr. Hong Gaoming (xiii) . . . . .	–	1,888	75	1,963
Sub-total . . . . .	21	2,102	137	2,260
Total . . . . .	231	7,551	4,950	12,732

	Fees	Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	Share-based compensation expenses	Total remuneration
	RMB thousand	RMB thousand	RMB thousand	RMB thousand
Three months ended 31 March 2025				
Executive director:				
Mr. Yin Tongyue . . . . .	–	1,295	–	1,295
Mr. Zhang Guozhong (xix) . . . . .	–	4,936	7,219	12,155
Sub-total . . . . .	–	6,231	7,219	13,450
Non-executive directors:				
Ms. Wang Laichun (xx) . . . . .	30	–	–	30
Mr. Yin Xiangling (xxiii) . . . . .	15	–	–	15
Ms. Li Jing (xx) . . . . .	30	–	–	30
Mr. Xing Hui (v) . . . . .	10	–	–	10
Mr. Wang Jinhua (xiv) . . . . .	30	–	–	30
Mr. Wang Xiaowei (xxiv) . . . . .	15	–	–	15
Mr. Wang Zhaohui (xvii) . . . . .	10	–	–	10
Mr. Hu Jingyuan (ix) . . . . .	30	–	–	30
Mr. Bao Siyu (xi) . . . . .	–	–	–	–
Sub-total . . . . .	170	–	–	170
Supervisors:				
Mr. Wu Yunfei . . . . .	21	–	–	21
Mr. Xu Hui (xxii) . . . . .	–	–	–	–
Mr. Cai Changfeng (xxi) . . . . .	–	475	92	567
Sub-total . . . . .	21	475	92	588
Total . . . . .	191	6,706	7,311	14,208

- (i) Mr. Xia Feng was appointed by Wuhu Investment Holding Co., Ltd\* (“Wuhu Investment Holding”, 蕪湖市投資控股集團有限公司), a shareholder with significant influence over the Group, as non-executive director of the Company in December 2019 and resigned in April 2022. The director’s allowance that Mr. Xia was entitled to was paid to Wuhu Investment Holding.
- (ii) Mr. Yu Zhijun was appointed by Qingdao Wudaokou New Energy Automobile Industry Fund Enterprise (Limited Partnership)\* (“Qingdao Wudaokou”, 青島五道口新能源汽車產業基金企業(有限合夥)) as non-executive director of the Company in June 2021 and resigned in April 2022. The director’s allowance that Mr. Yu was entitled to was paid to Qingdao Wudaokou.
- (iii) Mr. Cui Mingshou was appointed by Qingdao Wudaokou as non-executive director of the Company in June 2021 and resigned in April 2022. The director’s allowance that Mr. Cui was entitled to was paid to Qingdao Wudaokou.
- (iv) Mr. Li Bin was appointed as non-executive director of the Company by Luxshare Limited, a shareholder with significant influence over the Group, in April 2022 and resigned in May 2023.



- (v) Mr. Xing Hui was appointed by Wuhu Investment Holding as non-executive director of the Company in November 2021 and resigned in January 2025. The director's allowance that Mr. Xing was entitled to is payable to Wuhu Investment Holding.
- (vi) Mr. Wang Laisheng was appointed as non-executive director of the Company by Luxshare Limited in May 2022 and resigned in May 2024.
- (vii) Mr. Wang Zhaoyuan was appointed as non-executive director of the Company by Anhui Credit Financing Guaranty Group Co., Ltd.\* ("Anhui Credit Guaranty" 安徽省信用融資擔保集團有限公司) in June 2021 and resigned in June 2023. The director's allowance that Mr. Wang was entitled to was paid to the Anhui Guarantee.
- (viii) Mr. Huang Linmu was appointed as non-executive director of the Company by Anhui Provincial Investment Group Holding Co., Ltd.\* ("Anhui Investment Holding" 安徽省投資集團控股有限公司) in June 2021 and resigned in September 2022. The director's allowance that Mr. Huang was entitled to was paid to Anhui Investment Holding.
- (ix) Mr. Hu Jingyuan was appointed by Anhui Investment Holding as non-executive director of the Company in September 2022. The director's allowance that Mr. Hu was entitled to is payable to Anhui Investment Holding.
- (x) Mr. Huang Zuchao was appointed as non-executive director of the Company by Qingdao Wudaokou from December 2019 to April 2022, and appointed as non-executive director of the Company by Qingdao Xincheng Haishun New Energy Automobile Partnership (Limited Partnership)\* ("Qingdao Xincheng" 青島鑫誠海順新能源汽車合夥企業(有限合夥)) from April 2022 to May 2023, and resigned in May 2023. The director's allowance that Mr. Huang was entitled to was paid to Shandong Xincheng Hengye Group Co., Ltd\* (山東省鑫誠恒業集團有限公司).
- (xi) Mr. Bao Siyu was appointed as non-executive director of the Company in June 2021. He is an employee of Chery Holding Group Co., Ltd, and he is not entitled to director's allowance during the Relevant Periods.
- (xii) Mr. Zhang Jinsong was appointed as a supervisor of the Company in December 2021 and resigned in March 2024.
- (xiii) Mr. Hong Gaoming was appointed as a supervisor of the Company in April 2022 and resigned in March 2024.
- (xiv) Mr. Wang Jinhua was appointed as non-executive director of the Company by Wuhu Investment Holding in April 2022. The director's allowance that Mr. Wang was entitled to is payable to Wuhu Investment Holding.
- (xv) Ms. Li Qingxiang was appointed as supervisor of the Company by Qingdao Wudaokou in June 2021, and resigned in April 2022. The director's allowance that Ms. Li was entitled to was paid to Qingdao Wudaokou.
- (xvi) Mr. Yi Lei was appointed as non-executive director of the Company by Luxshare Limited in May 2023 and resigned in March 2024.
- (xvii) Mr. Wang Zhaohui was appointed as non-executive director of the Company by Anhui Credit Guaranty in July 2023 and resigned in January 2025. The director's allowance that Mr. Wang was entitled to is payable to the Anhui Guarantee.
- (xviii) Ms. Liu Ling was appointed as non-executive director of the Company by Wuhu Kingsman Enterprise Management Partnership (Limited Partnership)\* ("Wuhu Kingsman" 蕪湖金斯曼企業管理合夥企業(有限合夥)) in May 2023 and resigned in March 2024. The director's allowance that Ms. Liu was entitled to was paid to Wuhu Kingsman.

- (xix) Mr. Zhang Guozhong was appointed as executive director of the Company in March 2024.
- (xx) Ms. Li Jing and Ms. Wang Laichun were appointed as non-executive directors of the Company by Luxshare Limited in March 2024.
- (xxi) Mr. Cai Changfeng was appointed as supervisor of the Company in March 2024.
- (xxii) Mr. Xu Hui was appointed as supervisor of the Company in March 2024. He is an employee of Chery Holding Group Co., Ltd and he is not entitled to director's allowance during the year ended 31 December 2024.
- (xxiii) Mr. Yin Xiangling was appointed as non-executive director of the Company by Anhui Credit Guaranty in February 2025. The director's allowance that Mr. Yin was entitled to is payable to the Anhui Credit Guaranty.
- (xxiv) Mr. Wang Xiaowei was appointed by Wuhu Investment Holding as non-executive director of the Company in February 2025. The director's allowance that Mr. Wang was entitled to is payable to Wuhu Investment Holding.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods except Mr. Yang Shanlin.

- \* The English name of these entities above represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

## 9. FIVE HIGHEST PAID EMPLOYEES

The five individuals whose remunerations were the highest in the Group for the years ended 31 December 2022, 2023, 2024, and the three months ended 31 March 2024 and 2025 include nil, nil, 1, nil and 1 director respectively, details of whose remuneration are set out in note 8(b) above. Details of the remunerations of the remaining 5, 5, 4, 5 and 4 individuals who are neither directors nor supervisors of the Company during the years ended 31 December 2022, 2023 and 2024 and the three months ended 31 March 2024 and 2025, respectively, are as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i> <i>(unaudited)</i>	<i>RMB thousand</i>
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans).	56,188	49,406	12,325	2,554	20,813
Share-based compensation expenses . . . . .	—	—	116,616	130,587	15,060
Total . . . . .	<u>56,188</u>	<u>49,406</u>	<u>128,941</u>	<u>133,141</u>	<u>35,873</u>

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees				
	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
				<i>(unaudited)</i>	
HK\$3,950,001 to HK\$4,000,000 . . . . .	–	–	–	–	1
HK\$7,500,001 to HK\$8,000,000 . . . . .	–	2	–	–	–
HK\$8,500,001 to HK\$9,000,000 . . . . .	1	–	–	–	1
HK\$10,000,001 to HK\$10,500,000 . . . . .	1	1	–	–	–
HK\$11,500,001 to HK\$12,000,000 . . . . .	–	1	–	–	1
HK\$12,500,001 to HK\$13,000,000 . . . . .	2	–	–	–	–
HK\$14,500,001 to HK\$15,000,000 . . . . .	–	–	–	–	1
HK\$17,500,001 to HK\$18,000,000 . . . . .	–	1	–	–	–
HK\$21,000,001 to HK\$21,500,000 . . . . .	1	–	–	–	–
HK\$25,000,001 to HK\$25,500,000 . . . . .	–	–	–	2	–
HK\$27,500,001 to HK\$28,000,000 . . . . .	–	–	–	1	–
HK\$29,000,001 to HK\$29,500,000 . . . . .	–	–	1	–	–
HK\$30,000,001 to HK\$30,500,000 . . . . .	–	–	–	1	–
HK\$31,500,001 to HK\$32,000,000 . . . . .	–	–	1	–	–
HK\$37,500,001 to HK\$38,000,000 . . . . .	–	–	–	1	–
HK\$39,000,001 to HK\$39,500,000 . . . . .	–	–	1	–	–
HK\$41,000,001 to HK\$41,500,000 . . . . .	–	–	1	–	–
Total . . . . .	5	5	4	5	4
	=	=	=	=	=

For the year ended 31 December 2024 and the three months ended 31 March 2024 and 2025, shares were granted to non-director and non-supervisor highest paid employee in respect of their services to the Group, under the share-based compensation plan of the Company, further details of which are included in the disclosures in note 37 to the Historical Financial Information. The fair value of the share-based compensation, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above non-director and non-supervisor executive highest paid employees' remuneration disclosures.

## 10. INCOME TAX

### PRC corporate income tax

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

In 2020, Chery Automobile Co., Ltd. was recognized as a “High and New Technology Enterprise” (“HNTE”), therefore enjoyed a preferential income tax rate of 15% in 2020 to 2022. The Company renewed its HNTE recognition in 2023 and can enjoy the 15% preferential income tax rate in 2023 to 2025.

In 2021, Chery New Energy Automobile Co., Ltd was recognized as a HNTE, therefore enjoyed a preferential income tax rate of 15% in 2021 to 2023. Chery New Energy Automobile Co., Ltd renewed its HNTE recognition in 2024 and can enjoy the 15% preferential income tax rate in 2024 to 2026.

In 2023, Wuhu Acteco Powertrain Co., Ltd. was recognized as a HNTE, and therefore can enjoy a preferential income tax rate of 15% in 2023 to 2025. The tax rate for Wuhu Acteco Powertrain Co., Ltd. during 2022 is 25%.

## Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the Relevant Periods at the respective rates prevailing in the relevant jurisdictions, which are ranging from 20% – 30%.

The income tax expense of the Group is analyzed as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Current income tax . . . . .	1,001	1,909	3,486	736	828
Deferred income tax (note 33) . . . . .	(299)	952	(1,208)	(41)	213
Total . . . . .	<u>702</u>	<u>2,861</u>	<u>2,278</u>	<u>695</u>	<u>1,041</u>

A reconciliation of the income tax expense applicable to profit before tax at the statutory tax rates in PRC in which the Company is domiciled to the income tax expense at the effective tax rates are as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Profit before income tax . . . . .	6,508	13,305	16,612	3,171	5,767
Tax at PRC statutory tax rate of 25% . . . . .	1,627	3,326	4,153	793	1,442
Effect of preferential or different tax rate . . . . .	(623)	(1,425)	(1,660)	(228)	(506)
Effect on opening deferred tax of decrease in rates . . . . .	–	105	–	–	–
Adjustments in respect of current tax of previous periods . . . . .	–	–	15	15	(5)
Income not subject to tax . . . . .	(230)	(253)	(331)	(44)	(27)
Expenses not deductible for tax . . . . .	30	123	439	267	40
Effect of super deduction for research and development costs . . . . .	(621)	(1,093)	(1,153)	(206)	(315)
Utilization/recognition of unrecognized tax losses and temporary differences from prior years . . . . .	(27)	(2)	(659)	(174)	(27)
Unrecognized temporary differences and tax losses . . . . .	406	1,979	1,629	320	435
Withholding tax on dividends of overseas subsidiaries . . . . .	<u>140</u>	<u>101</u>	<u>(155)</u>	<u>(48)</u>	<u>4</u>
Tax charge at the Group's effective rate . . . . .	<u>702</u>	<u>2,861</u>	<u>2,278</u>	<u>695</u>	<u>1,041</u>

The share of tax attributable to associates and to joint ventures amounting to RMB292 million, RMB309 million, RMB290 million, RMB43 million, respectively, is included in “Share of profits and losses of joint ventures and associates” in the consolidated statement of profit or loss during the Relevant Periods.

**Pillar Two income taxes**

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation is effective for the Group's financial year beginning 1 January 2024.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the fiscal year of 2024 and in the first quarter of 2025. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group does not expect a material exposure to Pillar Two income taxes.

**11. DIVIDENDS**

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Final . . . . .	—	1,094	—	—	3,993
	=	=	=	=	=

The final dividends of RMB0.2 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date in respect of the year ended 31 December 2023 were approved by the Annual General Meeting of the Company.

The final dividends of RMB0.73 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date in respect of 30 November 2024 were declared and approved by the Annual General Meeting of the Company in 2025.

No dividend was paid or declared by the Company during the years ended 31 December 2022 and 2024.

**12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares during the Relevant Periods and the three months ended 31 March 2024.

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods and the three months ended 31 March 2024.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
<u>Earnings</u>					
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation: .	6,266	11,953	14,135	2,712	4,650
	=	=	=	=	=

	Number of shares				
	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	Million	Million	Million	Million (unaudited)	Million
Shares					
Weighted average number of ordinary shares in issue during the year/period used in the basic and diluted earnings per share calculation . . . . .	5,436*	5,470	5,470	5,470	5,470

\* The weighted average number of shares was after taking into account the effect of treasury shares held.

### 13. PROPERTY, PLANT AND EQUIPMENT

#### The Group

	Buildings	Machinery and molds	Electronic equipments and others	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
<b>As at 31 December 2022</b>							
As at 1 January 2022:							
Cost . . . . .	5,377	12,523	480	153	5	1,443	19,981
Accumulated depreciation and impairment . . . . .	(1,887)	(8,224)	(403)	(101)	—	(82)	(10,697)
Net carrying amount . .	<u>3,490</u>	<u>4,299</u>	<u>77</u>	<u>52</u>	<u>5</u>	<u>1,361</u>	<u>9,284</u>
As at 1 January 2022, net of accumulated depreciation and impairment . . . . .	3,490	4,299	77	52	5	1,361	9,284
Additions . . . . .	5	179	30	33	2	3,871	4,120
Acquisition of subsidiaries . . . . .	204	50	2	—	—	29	285
Disposal . . . . .	(26)	(112)	(2)	(8)	—	(2)	(150)
Disposal of a subsidiary .	—	(2)	—	—	—	(8)	(10)
Depreciation . . . . .	(219)	(1,337)	(28)	(16)	(1)	—	(1,601)
Impairment . . . . .	—	(18)	—	(1)	—	(5)	(24)
Transfers . . . . .	51	1,957	14	10	—	(2,032)	—
Exchange realignment . .	—	1	—	—	—	—	1
As at 31 December 2022, net of accumulated depreciation and impairment . . . . .	<u>3,505</u>	<u>5,017</u>	<u>93</u>	<u>70</u>	<u>6</u>	<u>3,214</u>	<u>11,905</u>
As at 31 December 2022:							
Cost . . . . .	5,596	13,846	520	168	7	3,301	23,438
Accumulated depreciation and impairment . . . . .	(2,091)	(8,829)	(427)	(98)	(1)	(87)	(11,533)
Net carrying amount . .	<u>3,505</u>	<u>5,017</u>	<u>93</u>	<u>70</u>	<u>6</u>	<u>3,214</u>	<u>11,905</u>

As at 31 December 2022, certain of the Group's buildings with an aggregate net carrying value of approximately RMB1,036 million did not have property ownership certificates registered under the names of the Company and the respective subsidiaries of the Group.

	<u>Buildings</u>	<u>Machinery and molds</u>	<u>Electronic equipments and others</u>	<u>Vehicles</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>As at 31 December 2023</b>							
As at 1 January 2023:							
Cost . . . . .	5,596	13,846	520	168	7	3,301	23,438
Accumulated depreciation and impairment . . . . .	(2,091)	(8,829)	(427)	(98)	(1)	(87)	(11,533)
Net carrying amount . .	<u>3,505</u>	<u>5,017</u>	<u>93</u>	<u>70</u>	<u>6</u>	<u>3,214</u>	<u>11,905</u>
As at 1 January 2023, net of accumulated depreciation and impairment . . . . .	3,505	5,017	93	70	6	3,214	11,905
Additions . . . . .	1,229	305	212	72	1	7,463	9,282
Disposal . . . . .	(4)	(95)	(18)	(10)	—	(22)	(149)
Disposal of subsidiaries .	—	(1)	—	—	—	—	(1)
Depreciation . . . . .	(280)	(1,580)	(44)	(24)	(1)	—	(1,929)
Impairment . . . . .	—	(106)	(1)	(1)	—	(31)	(139)
Transfers . . . . .	455	4,689	27	30	—	(5,201)	—
Exchange realignment . .	<u>—</u>	<u>1</u>	<u>—</u>	<u>(2)</u>	<u>—</u>	<u>—</u>	<u>(1)</u>
As at 31 December 2023, net of accumulated depreciation and impairment . . . . .	<u>4,905</u>	<u>8,230</u>	<u>269</u>	<u>135</u>	<u>6</u>	<u>5,423</u>	<u>18,968</u>
As at 31 December 2023:							
Cost . . . . .	7,273	18,282	722	246	8	5,532	32,063
Accumulated depreciation and impairment . . . . .	(2,368)	(10,052)	(453)	(111)	(2)	(109)	(13,095)
Net carrying amount . .	<u>4,905</u>	<u>8,230</u>	<u>269</u>	<u>135</u>	<u>6</u>	<u>5,423</u>	<u>18,968</u>

As at 31 December 2023, certain of the Group's buildings with an aggregate net carrying value of approximately RMB1,514 million did not have property ownership certificates registered under the names of the Company and the respective subsidiaries of the Group.

As at 31 December 2023, certain of the Group's construction in progress with aggregate net carrying values of approximately RMB303 million was mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

	Buildings	Freehold lands	Machinery and molds	Electronic equipments and others	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
<b>As at 31 December 2024</b>								
As at 1 January 2024:								
Cost . . . . .	7,273	–	18,282	722	246	8	5,532	32,063
Accumulated depreciation and impairment . . . . .	(2,368)	–	(10,052)	(453)	(111)	(2)	(109)	(13,095)
Net carrying amount . . . . .	<u>4,905</u>	<u>–</u>	<u>8,230</u>	<u>269</u>	<u>135</u>	<u>6</u>	<u>5,423</u>	<u>18,968</u>
As at 1 January 2024, net of accumulated depreciation and impairment . . . . .	4,905	–	8,230	269	135	6	5,423	18,968
Additions . . . . .	76	85	1,329	229	85	61	4,819	6,684
Acquisition of a subsidiary . . . . .	641	–	180	7	1	–	490	1,319
Disposal . . . . .	(9)	–	(121)	(13)	(17)	–	(68)	(228)
Disposal of subsidiaries . . . . .	(15)	–	(227)	(24)	–	–	(39)	(305)
Depreciation . . . . .	(338)	–	(2,323)	(143)	(46)	(14)	–	(2,864)
Impairment . . . . .	–	–	(128)	–	(3)	–	(2)	(133)
Transfers . . . . .	520	–	6,209	194	49	–	(6,972)	–
Exchange realignment . . . . .	<u>4</u>	<u>6</u>	<u>2</u>	<u>(4)</u>	<u>(6)</u>	<u>–</u>	<u>–</u>	<u>2</u>
As at 31 December 2024, net of accumulated depreciation and impairment . . . . .	<u>5,784</u>	<u>91</u>	<u>13,151</u>	<u>515</u>	<u>198</u>	<u>53</u>	<u>3,651</u>	<u>23,443</u>
As at 31 December 2024:								
Cost . . . . .	8,456	91	24,910	1,049	330	67	3,724	38,627
Accumulated depreciation and impairment . . . . .	(2,672)	–	(11,759)	(534)	(132)	(14)	(73)	(15,184)
Net carrying amount . . . . .	<u>5,784</u>	<u>91</u>	<u>13,151</u>	<u>515</u>	<u>198</u>	<u>53</u>	<u>3,651</u>	<u>23,443</u>

As at 31 December 2024, certain of the Group's buildings with an aggregate net carrying value of approximately RMB2,718 million did not have property ownership certificates registered under the names of the Company and the respective subsidiaries of the Group.

As at 31 December 2024, certain of the Group's buildings, machineries and construction in progress with aggregate net carrying values of approximately RMB250 million, RMB183 million and RMB21 million respectively were mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.



	Buildings	Freehold lands	Machinery and molds	Electronic equipments and others	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
<b>As at 31 March 2025</b>								
As at 1 January 2025:								
Cost . . . . .	8,456	91	24,910	1,049	330	67	3,724	38,627
Accumulated depreciation and impairment . . . . .	(2,672)	–	(11,759)	(534)	(132)	(14)	(73)	(15,184)
Net carrying amount . . . . .	<u>5,784</u>	<u>91</u>	<u>13,151</u>	<u>515</u>	<u>198</u>	<u>53</u>	<u>3,651</u>	<u>23,443</u>
As at 1 January 2025, net of accumulated depreciation and impairment . . . . .								
	5,784	91	13,151	515	198	53	3,651	23,443
Additions . . . . .	973	–	36	13	37	3	943	2,005
Disposal . . . . .	(2)	–	(3)	–	(5)	(2)	–	(12)
Disposal of subsidiaries . . . . .	–	–	(39)	(5)	–	–	(4)	(48)
Depreciation . . . . .	(79)	–	(516)	(22)	(16)	(21)	–	(654)
Impairment . . . . .	–	–	(1)	–	–	–	(2)	(3)
Transfers . . . . .	155	–	535	3	6	18	(717)	–
Exchange realignment . . . . .	–	–	(1)	10	10	–	–	19
As at 31 March 2025, net of accumulated depreciation and impairment . . . . .								
	<u>6,831</u>	<u>91</u>	<u>13,162</u>	<u>514</u>	<u>230</u>	<u>51</u>	<u>3,871</u>	<u>24,750</u>
As at 31 March 2025:								
Cost . . . . .	9,577	91	25,304	1,062	376	86	3,946	40,442
Accumulated depreciation and impairment . . . . .	(2,746)	–	(12,142)	(548)	(146)	(35)	(75)	(15,692)
Net carrying amount . . . . .	<u>6,831</u>	<u>91</u>	<u>13,162</u>	<u>514</u>	<u>230</u>	<u>51</u>	<u>3,871</u>	<u>24,750</u>

As at 31 March 2025, certain of the Group's buildings with an aggregate net carrying value of approximately RMB2,221 million did not have property ownership certificates registered under the names of the Company and the respective subsidiaries of the Group.

As at 31 March 2025, certain of the Group's buildings and machineries with aggregate net carrying values of approximately RMB274 million and RMB179 million respectively were mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

## The Company

	Buildings	Machinery and molds	Electronic equipments and others	Vehicles	Construction in progress	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>As at 31 December 2022</b>						
As at 1 January 2022:						
Cost . . . . .	4,965	8,129	349	94	1,075	14,612
Accumulated depreciation and impairment . . . . .	(1,780)	(6,022)	(317)	(78)	(76)	(8,273)
Net carrying amount . . . . .	<u>3,185</u>	<u>2,107</u>	<u>32</u>	<u>16</u>	<u>999</u>	<u>6,339</u>
As at 1 January 2022, net of accumulated depreciation and impairment . . . . .	3,185	2,107	32	16	999	6,339
Additions . . . . .	–	65	6	–	3,018	3,089
Disposal . . . . .	(26)	(23)	–	(1)	–	(50)
Depreciation . . . . .	(198)	(797)	(8)	(4)	–	(1,007)
Impairment . . . . .	–	(2)	–	–	(5)	(7)
Transfers . . . . .	13	1,499	–	3	(1,515)	–
As at 31 December 2022, net of accumulated depreciation and impairment . . . . .	<u>2,974</u>	<u>2,849</u>	<u>30</u>	<u>14</u>	<u>2,497</u>	<u>8,364</u>
As at 31 December 2022:						
Cost . . . . .	4,939	9,127	353	82	2,578	17,079
Accumulated depreciation and impairment . . . . .	(1,965)	(6,278)	(323)	(68)	(81)	(8,715)
Net carrying amount . . . . .	<u>2,974</u>	<u>2,849</u>	<u>30</u>	<u>14</u>	<u>2,497</u>	<u>8,364</u>

As at 31 December 2022, certain of the Company's buildings with an aggregate net carrying value of approximately RMB1,010 million did not have property ownership certificates registered under the Company's name.

	<b>Buildings</b>	<b>Machinery and molds</b>	<b>Electronic equipments and others</b>	<b>Vehicles</b>	<b>Construction in progress</b>	<b>Total</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>As at 31 December 2023</b>						
As at 1 January 2023:						
Cost . . . . .	4,939	9,127	353	82	2,578	17,079
Accumulated depreciation and impairment . . . . .	(1,965)	(6,278)	(323)	(68)	(81)	(8,715)
Net carrying amount . . . . .	<u>2,974</u>	<u>2,849</u>	<u>30</u>	<u>14</u>	<u>2,497</u>	<u>8,364</u>
As at 1 January 2023, net of accumulated depreciation and impairment . . . . .	2,974	2,849	30	14	2,497	8,364
Additions . . . . .	1,173	195	85	–	4,527	5,980
Disposal . . . . .	(4)	(60)	(14)	–	–	(78)
Depreciation . . . . .	(240)	(994)	(11)	(4)	–	(1,249)
Impairment . . . . .	–	(13)	(1)	(1)	(25)	(40)
Transfers . . . . .	<u>340</u>	<u>3,156</u>	<u>–</u>	<u>17</u>	<u>(3,513)</u>	<u>–</u>
As at 31 December 2023, net of accumulated depreciation and impairment . . . . .	<u>4,243</u>	<u>5,133</u>	<u>89</u>	<u>26</u>	<u>3,486</u>	<u>12,977</u>
As at 31 December 2023:						
Cost . . . . .	6,447	12,084	411	95	3,585	22,622
Accumulated depreciation and impairment . . . . .	(2,204)	(6,951)	(322)	(69)	(99)	(9,645)
Net carrying amount . . . . .	<u>4,243</u>	<u>5,133</u>	<u>89</u>	<u>26</u>	<u>3,486</u>	<u>12,977</u>

As at 31 December 2023, certain of the Company's buildings with an aggregate net carrying value of approximately RMB1,490 million did not have property ownership certificates registered under the Company's name.

	Buildings	Machinery and molds	Electronic equipments and others	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
<b>As at 31 December 2024</b>							
As at 1 January 2024:							
Cost. . . . .	6,447	12,084	411	95	–	3,585	22,622
Accumulated depreciation and impairment . . . . .	(2,204)	(6,951)	(322)	(69)	–	(99)	(9,645)
Net carrying amount. . . . .	<u>4,243</u>	<u>5,133</u>	<u>89</u>	<u>26</u>	<u>–</u>	<u>3,486</u>	<u>12,977</u>
As at 1 January 2024, net of accumulated depreciation and impairment . . . . .	4,243	5,133	89	26	–	3,486	12,977
Additions . . . . .	10	447	45	7	21	3,096	3,626
Acquisition of Jetour business . . . . .	39	547	38	–	–	129	753
Disposal . . . . .	(1)	(25)	(5)	–	–	(4)	(35)
Depreciation. . . . .	(268)	(1,711)	(54)	(10)	(2)	–	(2,045)
Impairment . . . . .	–	(12)	–	(3)	–	(2)	(17)
Transfers . . . . .	<u>143</u>	<u>4,862</u>	<u>97</u>	<u>41</u>	<u>–</u>	<u>(5,143)</u>	<u>–</u>
As at 31 December 2024, net of accumulated depreciation and impairment . . . . .	<u>4,166</u>	<u>9,241</u>	<u>210</u>	<u>61</u>	<u>19</u>	<u>1,562</u>	<u>15,259</u>
As at 31 December 2024:							
Cost. . . . .	6,639	17,483	560	136	21	1,634	26,473
Accumulated depreciation and impairment . . . . .	(2,473)	(8,242)	(350)	(75)	(2)	(72)	(11,214)
Net carrying amount. . . . .	<u>4,166</u>	<u>9,241</u>	<u>210</u>	<u>61</u>	<u>19</u>	<u>1,562</u>	<u>15,259</u>

As at 31 December 2024, certain of the Company's buildings with an aggregate net carrying value of approximately RMB2,085 million did not have property ownership certificates registered under the Company's name.

	Buildings	Machinery and molds	Electronic equipments and others	Vehicles	Leasehold improvements	Construction in progress	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
<b>As at 31 March 2025</b>							
As at 1 January 2025:							
Cost. . . . .	6,639	17,483	560	136	21	1,634	26,473
Accumulated depreciation and impairment . . . . .	(2,473)	(8,242)	(350)	(75)	(2)	(72)	(11,214)
Net carrying amount. . . . .	<u>4,166</u>	<u>9,241</u>	<u>210</u>	<u>61</u>	<u>19</u>	<u>1,562</u>	<u>15,259</u>
As at 1 January 2025, net of accumulated depreciation and impairment . . . . .	4,166	9,241	210	61	19	1,562	15,259
Additions . . . . .	967	5	2	–	–	446	1,420
Disposal . . . . .	–	(1)	–	–	–	–	(1)
Depreciation. . . . .	(58)	(325)	(16)	(3)	(2)	–	(404)
Impairment . . . . .	–	–	–	–	–	(2)	(2)
Transfers . . . . .	<u>20</u>	<u>52</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>(76)</u>	<u>–</u>
As at 31 March 2025, net of accumulated depreciation and impairment . . . . .	<u>5,095</u>	<u>8,972</u>	<u>197</u>	<u>59</u>	<u>19</u>	<u>1,930</u>	<u>16,272</u>
As at 31 March 2025:							
Cost. . . . .	7,626	17,467	563	134	23	2,004	27,817
Accumulated depreciation and impairment . . . . .	(2,531)	(8,495)	(366)	(75)	(4)	(74)	(11,545)
Net carrying amount. . . . .	<u>5,095</u>	<u>8,972</u>	<u>197</u>	<u>59</u>	<u>19</u>	<u>1,930</u>	<u>16,272</u>

As at 31 March 2025, certain of the Company's buildings with an aggregate net carrying value of approximately RMB1,939 million did not have property ownership certificates registered under the Company's name.

## 14. LEASES

## The Group as a lessee

The Group has lease contracts for various items of buildings and machinery, vehicles and others used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms between 2 and 20 years, while machinery, vehicles and others generally have lease terms between 2 and 10 years.

(a) *Right-of-use assets*

## The Group

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold land	Buildings	Machinery	Vehicles and others	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
As at 1 January 2022 . . . .	907	178	35	—	1,120
Additions . . . . .	29	72	—	—	101
Acquisition of a subsidiary . . . . .	44	—	—	—	44
Depreciation . . . . .	(26)	(78)	(15)	—	(119)
Early cancellation of leases . . . . .	—	(14)	—	—	(14)
Disposal . . . . .	(26)	—	—	—	(26)
As at 31 December 2022 and 1 January 2023 . . . .	928	158	20	—	1,106
Additions . . . . .	40	383	—	4	427
Depreciation . . . . .	(30)	(82)	(10)	(1)	(123)
Early cancellation of leases . . . . .	—	(1)	—	—	(1)
Exchange realignment . . . .	—	(4)	—	(1)	(5)
As at 31 December 2023 and 1 January 2024 . . . .	938	454	10	2	1,404
Additions . . . . .	57	1,793	125	—	1,975
Acquisition of subsidiaries . . . . .	337	22	—	—	359
Depreciation . . . . .	(40)	(247)	(25)	(1)	(313)
Early cancellation of leases . . . . .	—	(28)	—	—	(28)
Disposal of a subsidiary . . . .	(11)	(24)	—	—	(35)
Exchange realignment . . . .	—	(12)	—	—	(12)
As at 31 December 2024 and 1 January 2025 . . . .	1,281	1,958	110	1	3,350
Additions . . . . .	18	6	—	—	24
Depreciation . . . . .	(12)	(62)	(4)	—	(78)
Early cancellation of leases . . . . .	—	(3)	—	—	(3)
Disposal of a subsidiary . . . .	—	(15)	—	—	(15)
Exchange realignment . . . .	—	14	—	—	14
As at 31 March 2025 . . . .	1,287	1,898	106	1	3,292

As at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025, certain of the Group's leasehold land with an aggregate net carrying value of approximately RMB49 million, RMB47 million and RMB324 million and RMB322 million respectively, did not have land use right certificates registered under the names of the respective subsidiaries of the Group.

As at 31 December 2023, 31 December 2024 and 31 March 2025, certain of the Group's leasehold land with aggregate net carrying values of approximately RMB89 million and RMB86 million and RMB86 million, respectively, were pledged as collateral for bank loans.

### The Company

The carrying amounts of the Company's right-of-use assets and the movements during the Relevant Periods are as follows:

	Leasehold land	Buildings	Machinery	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2022 . . . . .	774	13	—	787
Additions . . . . .	—	15	—	15
Depreciation . . . . .	(21)	(10)	—	(31)
Disposal . . . . .	(23)	—	—	(23)
As at 31 December 2022 and 1 January 2023 . . . . .	730	18	—	748
Depreciation . . . . .	(22)	(9)	—	(31)
Disposal . . . . .	(63)	—	—	(63)
As at 31 December 2023 and 1 January 2024 . . . . .	645	9	—	654
Additions . . . . .	—	1,330	111	1,441
Acquisition of Jetour business . . . .	37	171	—	208
Depreciation . . . . .	(21)	(93)	(11)	(125)
As at 31 December 2024 and 1 January 2025 . . . . .	661	1,417	100	2,178
Depreciation . . . . .	(5)	(24)	(3)	(32)
As at 31 March 2025 . . . . .	<u>656</u>	<u>1,393</u>	<u>97</u>	<u>2,146</u>

As at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025, certain of the Company's leasehold land with an aggregate net carrying value of approximately RMB49 million, RMB47 million and RMB324 million and RMB322 million, respectively, did not have land use right certificates registered under the Company's name.

(b) *Lease liabilities*

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

**The Group**

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Carrying amount at the beginning of the year/period . . . . .	223	211	521	2,319
New leases . . . . .	72	387	1,918	6
Additions as a result of acquisition of subsidiaries . . . . .	—	—	22	—
Accretion of interest recognised during the year/period . . . . .	9	21	101	25
Payments . . . . .	(85)	(94)	(199)	(27)
Early cancellation of leases . . . . .	(8)	(1)	(10)	(3)
Disposal of a subsidiary . . . . .	—	—	(23)	(15)
Exchange realignment . . . . .	—	(3)	(11)	(19)
Carrying amount at the end of the year/period . . . . .	<u>211</u>	<u>521</u>	<u>2,319</u>	<u>2,286</u>
Analysed into:				
Current portion . . . . .	46	138	366	428
Non-current portion . . . . .	<u>165</u>	<u>383</u>	<u>1,953</u>	<u>1,858</u>

Included in the above balances are the following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd.** and its subsidiaries, joint ventures and associates . . . . .	50	172	161	162
Associates and its subsidiaries . . . . .	44	46	48	48
Ruichuang* and its subsidiaries . . . . .	8	5	2	2
Wuhu Investment Holding and its subsidiaries . . . . .	—	1	—	—
Total . . . . .	<u>102</u>	<u>224</u>	<u>211</u>	<u>212</u>

The balances of lease liabilities with related parties are all trade in nature.

\* Wuhu Ruichuang Investment Co., Ltd. ("Ruichuang") is a shareholder of the Company. For further information, refer to note 37(a).

\*\* Chery Holding Group Co., Ltd. is no longer a related party of the Group since the completion of the equity transfer on January 20, 2025. The above balance with Chery Holding Group Co., Ltd. as of 31 March 2025 is disclosed to maintain consistency in disclosure during the Relevant Periods. The same practice is adopted in disclosure of other notes where balances or amounts with Chery Holding Group Co., Ltd. is disclosed.



**The Company**

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Carrying amount at the beginning of the year/period . . . . .	12	17	9	1,651
New leases . . . . .	15	–	1,441	–
Acquisition of Jetour business . . . .	–	–	157	–
Accretion of interest recognised during the year/period . . . . .	1	1	64	14
Payments . . . . .	(11)	(9)	(20)	(6)
Carrying amount at the end of the year/period . . . . .	<u>17</u>	<u>9</u>	<u>1,651</u>	<u>1,659</u>
Analysed into:				
Current portion . . . . .	9	4	127	244
Non-current portion . . . . .	<u>8</u>	<u>5</u>	<u>1,524</u>	<u>1,415</u>

Included in the above balances are the following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates . . . . .	3	1	161	162
Ruichuang and its subsidiaries . . . .	<u>8</u>	<u>5</u>	<u>2</u>	<u>2</u>
Total . . . . .	<u>11</u>	<u>6</u>	<u>163</u>	<u>164</u>

The balances of lease liabilities with related parties are all trade in nature.

The maturity analysis of lease liabilities is disclosed in note 49 to the Historical Financial Information.

- (c) The amounts recognised in profit or loss in relation to leases are as follows:

**The Group**

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Interest on lease liabilities . . . . .	9	21	101	22	25
Depreciation of right-of-use assets . . . . .	119	123	313	72	78
Expense relating to short-term leases and leases of low-value assets . . . . .	<u>76</u>	<u>108</u>	<u>151</u>	<u>32</u>	<u>43</u>
Total amount recognised in profit or loss . . . . .	<u>204</u>	<u>252</u>	<u>565</u>	<u>126</u>	<u>146</u>

**The Company**

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Interest on lease liabilities . . . . .	1	1	64	16	14
Depreciation of right-of-use assets . . . . .	31	31	125	19	32
Expense relating to short-term leases and leases of low-value assets . . . . .	30	31	51	13	9
Total amount recognised in profit or loss . . . . .	62	63	240	48	55

(d) The total cash outflow for leases is disclosed in note 42(c) to the Historical Financial Information.

**15. OTHER INTANGIBLE ASSETS****The Group**

	Patents	Capitalised development expenditures	Software	Total
	RMB million	RMB million	RMB million	RMB million
31 December 2022				
As at 1 January 2022:				
Cost . . . . .	1,724	285	616	2,625
Accumulated amortisation . . . . .	(1,424)	—	(551)	(1,975)
Net carrying amount . . . . .	300	285	65	650
At 1 January 2022, net of accumulated amortisation . . . . .	300	285	65	650
Additions . . . . .	—	482	85	567
Injection by non-controlling shareholder of a subsidiary . . . . .	280	—	—	280
Transfers . . . . .	380	(380)	—	—
Amortisation . . . . .	(204)	—	(80)	(284)
Impairment . . . . .	—	—	(1)	(1)
Acquisition of a subsidiary . . . . .	—	—	3	3
Disposal of a subsidiary . . . . .	—	—	(2)	(2)
Disposal . . . . .	(17)	—	—	(17)
At 31 December 2022, net of accumulated amortisation and impairment . . . . .	739	387	70	1,196
As at 31 December 2022 and at 1 January 2023:				
Cost . . . . .	2,362	387	702	3,451
Accumulated amortisation and impairment . . . . .	(1,623)	—	(632)	(2,255)
Net carrying amount . . . . .	739	387	70	1,196

	Patents	Capitalised development expenditures	Software	Total
	RMB million	RMB million	RMB million	RMB million
31 December 2023				
At 1 January 2023, net of accumulated amortisation . . . . .	739	387	70	1,196
Additions . . . . .	–	185	133	318
Transfers . . . . .	476	(476)	–	–
Amortisation . . . . .	(338)	–	(91)	(429)
Disposal of a subsidiary . . . . .	–	–	(2)	(2)
Disposal . . . . .	–	–	(1)	(1)
Exchange realignment . . . . .	–	–	(1)	(1)
At 31 December 2023, net of accumulated amortisation and impairment . . . . .	877	96	108	1,081
As at 31 December 2023 and at 1 January 2024:				
Cost . . . . .	2,838	96	814	3,748
Accumulated amortisation and impairment . . . . .	(1,961)	–	(706)	(2,667)
Net carrying amount . . . . .	877	96	108	1,081
31 December 2024				
At 1 January 2024, net of accumulated amortisation . . . . .	877	96	108	1,081
Additions . . . . .	–	1,301	319	1,620
Transfer . . . . .	765	(765)	–	–
Amortisation . . . . .	(512)	–	(160)	(672)
Acquisition of subsidiaries . . . . .	–	–	38	38
Disposal of subsidiaries . . . . .	–	–	(4)	(4)
Disposal . . . . .	–	–	(2)	(2)
Exchange realignment . . . . .	–	–	(4)	(4)
At 31 December 2024, net of accumulated amortisation and impairment . . . . .	1,130	632	295	2,057
At 31 December 2024:				
Cost . . . . .	3,603	632	1,157	5,392
Accumulated amortisation and impairment . . . . .	(2,473)	–	(862)	(3,335)
Net carrying amount . . . . .	1,130	632	295	2,057
31 March 2025				
At 1 January 2025, net of accumulated amortisation . . . . .	1,130	632	295	2,057
Additions . . . . .	–	488	42	530
Amortisation . . . . .	(129)	–	(47)	(176)
Disposal of subsidiaries . . . . .	–	–	(13)	(13)
Exchange realignment . . . . .	–	–	2	2
At 31 March 2025, net of accumulated amortisation and impairment . . . . .	1,001	1,120	279	2,400
At 31 March 2025:				
Cost . . . . .	3,603	1,120	1,166	5,889
Accumulated amortisation and impairment . . . . .	(2,602)	–	(887)	(3,489)
Net carrying amount . . . . .	1,001	1,120	279	2,400

As at 31 December 2023, 31 December 2024 and 31 March 2025, certain of the Group's patents, with an aggregate net carrying value of approximately RMB236 million, RMB135 million and RMB121 million, respectively, were pledged as collateral for bank loans.

### The Company

	Patents	Capitalised development expenditures	Software	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
31 December 2022				
As at 1 January 2022:				
Cost . . . . .	1,349	153	443	1,945
Accumulated amortisation . . . . .	(1,310)	—	(424)	(1,734)
Net carrying amount . . . . .	<u>39</u>	<u>153</u>	<u>19</u>	<u>211</u>
At 1 January 2022, net of accumulated amortisation . . . . .	39	153	19	211
Additions . . . . .	—	309	8	317
Transfers . . . . .	269	(269)	—	—
Amortisation . . . . .	<u>(88)</u>	<u>—</u>	<u>(17)</u>	<u>(105)</u>
At 31 December 2022, net of accumulated amortisation and impairment . . . . .	<u>220</u>	<u>193</u>	<u>10</u>	<u>423</u>
As at 31 December 2022 and at 1 January 2023				
Cost . . . . .	1,618	193	450	2,261
Accumulated amortisation and impairment . . . . .	(1,398)	—	(440)	(1,838)
Net carrying amount . . . . .	<u>220</u>	<u>193</u>	<u>10</u>	<u>423</u>
31 December 2023				
At 1 January 2023, net of accumulated amortisation . . . . .	220	193	10	423
Additions . . . . .	—	176	77	253
Transfers . . . . .	272	(272)	—	—
Amortisation . . . . .	<u>(169)</u>	<u>—</u>	<u>(35)</u>	<u>(204)</u>
At 31 December 2023, net of accumulated amortisation and impairment . . . . .	<u>323</u>	<u>97</u>	<u>52</u>	<u>472</u>
As at 31 December 2023 and at 1 January 2024				
Cost . . . . .	1,891	97	522	2,510
Accumulated amortisation and impairment . . . . .	(1,568)	—	(470)	(2,038)
Net carrying amount . . . . .	<u>323</u>	<u>97</u>	<u>52</u>	<u>472</u>

	Patents	Capitalised development expenditures	Software	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
31 December 2024				
At 1 January 2024, net of accumulated amortisation . . . . .	323	97	52	472
Additions . . . . .	—	1,025	212	1,237
Transfer . . . . .	471	(471)	—	—
Amortisation . . . . .	(323)	—	(102)	(425)
Acquisition of Jetour business . . . .	105	—	19	124
Disposal . . . . .	—	—	(1)	(1)
At 31 December 2024, net of accumulated amortisation and impairment . . . . .	<u>576</u>	<u>651</u>	<u>180</u>	<u>1,407</u>
At 31 December 2024:				
Cost . . . . .	2,497	651	790	3,938
Accumulated amortisation and impairment . . . . .	<u>(1,921)</u>	<u>—</u>	<u>(610)</u>	<u>(2,531)</u>
Net carrying amount . . . . .	<u>576</u>	<u>651</u>	<u>180</u>	<u>1,407</u>
31 March 2025				
At 1 January 2025, net of accumulated amortisation . . . . .	576	651	180	1,407
Additions . . . . .	—	471	2	473
Amortisation . . . . .	<u>(69)</u>	<u>—</u>	<u>(30)</u>	<u>(99)</u>
At 31 March 2025, net of accumulated amortisation and impairment . . . . .	<u>507</u>	<u>1,122</u>	<u>152</u>	<u>1,781</u>
At 31 March 2025:				
Cost . . . . .	2,497	1,122	792	4,411
Accumulated amortisation and impairment . . . . .	<u>(1,990)</u>	<u>—</u>	<u>(640)</u>	<u>(2,630)</u>
Net carrying amount . . . . .	<u>507</u>	<u>1,122</u>	<u>152</u>	<u>1,781</u>

## 16. INVESTMENTS IN JOINT VENTURES

### The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Share of net assets . . . . .	<u>7,626</u>	<u>8,265</u>	<u>9,793</u>	<u>10,817</u>

The Group's trade and non-trade receivable and payable balances with the joint ventures are disclosed in notes 19, 22, 27, 28 and 32 to the Historical Financial Information.

Particulars of the Group's and the Company's material joint venture are as follows:

Name	Particulars of paid-in capital held	Place of registration and business	Percentage of			Principal activities
			Ownership interest	Voting power	Profit sharing	
Chery Jaguar Land Rover Automotive Co., Ltd. (奇瑞捷豹路虎汽车有限公司) . . . . .	Registered paid-in capital of RMB1 each	Mainland China	50	50	50	Manufacture and sales of vehicles
Chery HuiYin Motor Finance Service Co., Ltd. (奇瑞徽銀汽車金融股份有限公司).	Ordinary shares	Mainland China	49	49	49	Auto financial services

The above investment is directly held by the Company. The English name of the particulars of the Group's material joint ventures above represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

The following table illustrates the summarised financial information in respect of Chery Jaguar Land Rover Automotive Co., Ltd., adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Cash and cash equivalents . . . . .	2,461	2,920	2,309	2,237
Other current assets . . . . .	2,945	2,013	2,714	2,608
Current assets . . . . .	5,406	4,933	5,023	4,845
Non-current assets . . . . .	11,368	10,006	7,922	7,485
Financial liabilities, excluding trade and other payables and provisions . . . . .	1,968	811	813	276
Other current liabilities . . . . .	8,999	7,746	6,071	5,945
Current liabilities . . . . .	10,967	8,557	6,884	6,221
Non-current financial liabilities, excluding trade and other payables and provisions . . . . .	148	415	—	—
Other non-current liabilities . . . . .	61	63	136	271
Non-current liabilities . . . . .	209	478	136	271
Net assets . . . . .	5,598	5,904	5,925	5,838
Reconciliation to the Group's interest in the joint venture:				
Proportion of the Group's ownership . . . . .	50%	50%	50%	50%
Group's share of net assets of the joint venture . . . . .	2,799	2,952	2,963	2,919
Carrying amount of the investment . . . . .	2,799	2,952	2,963	2,919
Revenue . . . . .	14,319	14,077	11,637	1,747
Profit/(loss) and total comprehensive income for the year/period . . . . .	192	306	21	(87)

## APPENDIX I

## ACCOUNTANTS' REPORT

The following table illustrates the summarised financial information in respect of Chery HuiYin Motor Finance Service Co., Ltd., adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Cash and balance with central banks	226	96	348	267
Due from banks and other financial institutions . . . . .	2,863	4,776	6,199	7,151
Other assets . . . . .	33,259	45,904	65,519	71,141
Total Assets . . . . .	36,348	50,776	72,066	78,559
Financial liabilities, excluding trade and other payables and provisions . . . . .	25,743	38,523	58,532	65,241
Other liabilities . . . . .	1,957	2,335	2,025	1,465
Total liabilities . . . . .	27,700	40,858	60,557	66,706
Net assets . . . . .	8,648	9,918	11,509	11,853
Reconciliation to the Group's interest in the joint venture:				
Proportion of the Group's ownership . . . . .	49%	49%	49%	49%
Group's share of net assets of the joint venture . . . . .	4,237	4,859	5,640	5,808
Carrying amount of the investment . . . . .	4,237	4,859	5,640	5,808
Revenue . . . . .	2,342	2,908	3,952	1,056
Profit and total comprehensive income for the year/period . . . . .	1,044	1,364	1,708	342
Dividend received . . . . .	37	46	56	—

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Share of the joint ventures' profit for the year/period . . . . .	32	33	4	(12)
Share of the joint ventures' total comprehensive income for the year/period . . . . .	30	26	(10)	(2)
Aggregate carrying amount of the Group's investments in the joint ventures . . . . .	590	454	1,190	2,091

### The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Share of net assets . . . . .	7,531	8,152	9,273	10,248

The Company's trade and non-trade receivable and payable balances with the joint ventures are disclosed in notes 19, 22, 28 and 32 to the Historical Financial Information, respectively.

The following table illustrates the aggregate financial information of the Company's joint ventures that are not individually material:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Share of the joint ventures' profit/(loss) for the year/period . .	41	16	(59)	6
Share of the joint ventures' total comprehensive income for the year/period . . . . .	39	8	(73)	8
Aggregate carrying amount of the Company's investments in the joint ventures . . . . .	<u>495</u>	<u>341</u>	<u>670</u>	<u>1,521</u>

## 17. INVESTMENTS IN ASSOCIATES

### The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Investments in associates . . . . .	5,235	6,181	7,591	6,968
Less: impairment for investment in associates . . . . .	<u>891</u>	<u>891</u>	<u>1,227</u>	<u>1,227</u>
Share of net assets . . . . .	<u>4,344</u>	<u>5,290</u>	<u>6,364</u>	<u>5,741</u>

The Group's and the Company's trade and non-trade receivable and payable balances with the associates are disclosed in notes 19, 22, 27, 28 and 32 to the Historical Financial Information, respectively.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Share of the associates' profit for the year/period . . . . .	247	382	595	98
Share of the associates' total comprehensive income for the year/period . . . . .	247	382	597	99
Aggregate carrying amount of the Group's investments in the associates . . . . .	<u>4,344</u>	<u>5,290</u>	<u>6,364</u>	<u>5,741</u>



**The Company**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Investments in associates . . . . .	1,715	1,363	2,083	1,250
Less: impairment for investment in associates. . . . .	44	44	69	69
Share of net assets . . . . .	<u>1,671</u>	<u>1,319</u>	<u>2,014</u>	<u>1,181</u>

The following table illustrates the aggregate financial information of the Company's associates that are not individually material:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Share of the associates' (loss)/profit for the year/period . . . . .	(16)	223	97	16
Share of the associates' total comprehensive income for the year/period . . . . .	(16)	223	97	16
Aggregate carrying amount of the Company's investments in the associates. . . . .	<u>1,671</u>	<u>1,319</u>	<u>2,014</u>	<u>1,181</u>

# 18. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

**The Group**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
<b>Equity investments designated at fair value through other comprehensive income</b>				
Listed equity investments, at fair value . . . . .	89	61	—	—
Unlisted equity investments, at fair value . . . . .	<u>260</u>	<u>262</u>	<u>313</u>	<u>282</u>
Total . . . . .	<u>349</u>	<u>323</u>	<u>313</u>	<u>282</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the Relevant Periods, the Group received dividends in the amounts of RMB19 million, RMB29 million, RMB32 million and RMB13 million, respectively.

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
<b>Equity investments designated at fair value through other comprehensive income . . . . .</b>				
Listed equity investments, at fair value . . . . .	47	61	—	—
Unlisted equity investments, at fair value . . . . .	235	209	260	248
Total . . . . .	<u>282</u>	<u>270</u>	<u>260</u>	<u>248</u>

During the Relevant Periods, the Company received dividends in the amounts of RMB19 million, RMB29 million and RMB30 million and RMB13 million, respectively.

## 19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

## The Group

	Notes	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
Non-Current portion					
Debt investments . . . . .		512	380	—	—
Prepayments for acquisition of long-term assets . . . . .		528	247	757	504
Prepayments for acquisition of Jetour business . . . . .	40(d)	—	7,003	—	—
Others . . . . .		136	99	84	79
Impairment allowance . . . . .	(b)	(77)	(26)	(2)	(2)
Total non-current portion . . .		<u>1,099</u>	<u>7,703</u>	<u>839</u>	<u>581</u>
Current portion					
Other receivables . . . . .	(a)	25,316	19,412	3,847	4,045
Value-added-tax recoverable . .		1,222	2,765	5,126	5,069
Prepayments . . . . .		733	2,149	3,531	3,037
Others . . . . .		10	14	12	33
Impairment allowance . . . . .	(b)	(2,937)	(2,976)	(2,011)	(1,987)
Total current portion . . . . .		<u>24,344</u>	<u>21,364</u>	<u>10,505</u>	<u>10,197</u>

**The Company**

	Notes	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
Non-Current portion					
Prepayments for acquisition of long-term assets . . . . .		433	157	653	339
Prepayments for acquisition of Jetour business . . . . .	40(d)	—	7,003	—	—
Total non-current portion . . .		433	7,160	653	339
Current portion					
Other receivables . . . . .	(a)	20,431	21,064	8,000	9,314
Value-added-tax recoverable . .		203	889	1,266	1,353
Prepayments . . . . .		263	631	1,281	4,044
Others . . . . .		3	3	6	9
Impairment allowance . . . . .	(b)	(853)	(755)	(478)	(479)
Total current portion . . . . .		20,047	21,832	10,075	14,241

Impairment of other receivables is measured as either 12-month expected credit losses or life time expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

- (a) The carrying amount with related parties included in the above balances are as follows:

**The Group**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates . . . . .	21,357	14,062	211	209
Associates and its subsidiaries . . . .	1,907	1,177	260	103
Joint ventures and its subsidiaries . .	242	234	243	311
Wuhu Investment Holding and its subsidiaries . . . . .	253	335	6	9
Luxshare Limited and its subsidiaries . . . . .	—	—	—	5
Impairment allowance . . . . .	(570)	(483)	(306)	(305)
Total . . . . .	23,189	15,325	414	332

As at 31 December 2022, 2023, 2024 and 31 March 2025, the non-trade balances of prepayments, other receivables and other assets of the Group amounted to RMB21,602 million, RMB13,832 million, RMB103 million and RMB28 million, respectively. The non-trade balances with the related parties are expected to be settled before the Listing.

**The Company**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates. . . . .	10,241	276	55	48
Company's subsidiaries. . . . .	7,285	18,015	6,404	7,682
Associates and its subsidiaries . . . .	1,223	536	32	29
Joint ventures and its subsidiaries . .	242	234	243	238
Wuhu Investment Holding and its subsidiaries . . . . .	170	250	6	9
Impairment allowance . . . . .	(452)	(446)	(303)	(314)
Total . . . . .	<u>18,709</u>	<u>18,865</u>	<u>6,437</u>	<u>7,692</u>

As at 31 December 2022, 2023, 2024 and 31 March 2025, the non-trade balances of prepayments, other receivables and other assets of the Company amounted to RMB10,716 million, RMB256 million and RMB28 million and RMB28 million, respectively. The non-trade balances with the related parties are expected to be settled before the Listing.

**(b) Impairment allowance for other receivables****The Group**

As at 31 December 2022

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	RMB million	RMB million	RMB million	RMB million
As at 1 January 2022 . . . . .	825	—	2,222	3,047
Transfers into stage 3. . . . .	(48)	—	48	—
Impairment losses, net . . . . .	(49)	—	574	525
Foreign exchange realignment . . . .	15	—	—	15
Written off . . . . .	(13)	—	—	(13)
Debt-to-equity settlement . . . . .	—	—	(560)	(560)
As at 31 December 2022. . . . .	<u>730</u>	<u>—</u>	<u>2,284</u>	<u>3,014</u>

As at 31 December 2023

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	RMB million	RMB million	RMB million	RMB million
As at 1 January 2023 . . . . .	730	—	2,284	3,014
Transfers into stage 3. . . . .	(5)	—	5	—
Impairment losses, net . . . . .	(238)	—	226	(12)
Foreign exchange realignment . . . .	1	—	—	1
Written off . . . . .	(1)	—	—	(1)
As at 31 December 2023. . . . .	<u>487</u>	<u>—</u>	<u>2,515</u>	<u>3,002</u>

As at 31 December 2024

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2024 . . . . .	487	—	2,515	3,002
Transfers into stage 3 . . . . .	(6)	—	6	—
Impairment losses, net . . . . .	(238)	—	(11)	(249)
Foreign exchange realignment . . . .	(1)	—	(1)	(2)
Written off . . . . .	—	—	(738)	(738)
As at 31 December 2024 . . . . .	<u>242</u>	<u>—</u>	<u>1,771</u>	<u>2,013</u>

As at 31 March 2025

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2025 . . . . .	242	—	1,771	2,013
Impairment losses, net . . . . .	(22)	—	(1)	(23)
Written off . . . . .	(1)	—	—	(1)
As at 31 March 2025 . . . . .	<u>219</u>	<u>—</u>	<u>1,770</u>	<u>1,989</u>

**The Company**

As at 31 December 2022

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2022 . . . . .	420	—	459	879
Impairment losses, net . . . . .	170	—	364	534
Debt-to-equity settlement . . . . .	—	—	(560)	(560)
As at 31 December 2022 . . . . .	<u>590</u>	<u>—</u>	<u>263</u>	<u>853</u>

As at 31 December 2023

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2023 . . . . .	590	—	263	853
Impairment losses, net . . . . .	(90)	—	(8)	(98)
As at 31 December 2023 . . . . .	<u>500</u>	<u>—</u>	<u>255</u>	<u>755</u>

As at 31 December 2024

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2024 . . . . .	500	—	255	755
Impairment losses, net . . . . .	(260)	—	(17)	(277)
As at 31 December 2024 . . . . .	<u>240</u>	<u>—</u>	<u>238</u>	<u>478</u>

As at 31 March 2025

	12-month Stage 1	Lifetime Stage 2	Lifetime Stage 3	Total
	RMB million	RMB million	RMB million	RMB million
As at 1 January 2025 . . . . .	240	—	238	478
Impairment losses, net . . . . .	<u>1</u>	<u>—</u>	<u>—</u>	<u>1</u>
As at 31 March 2025 . . . . .	<u>241</u>	<u>—</u>	<u>238</u>	<u>479</u>

**20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****The Group**

	Notes	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
Non-current portion					
Unlisted equity investments, at fair value . . . . .	(a)	33	45	61	58
Current portion					
Listed convertible bonds . . .	(b)	106	—	—	—
Wealth management products and structured deposits, at fair value . . . . .	(c)	<u>13,792</u>	<u>11,961</u>	<u>19,579</u>	<u>29,278</u>
Total current portion . . . . .		<u>13,898</u>	<u>11,961</u>	<u>19,579</u>	<u>29,278</u>

(a) The Group's unlisted equity investments represent the Group's equity interests in those companies. None of the shareholdings exceeded 20% of the issued capital of the respective investees and the Group did not have significant influence on these invested entities.

(b) Wuhu Chery Technology Co., Ltd. acquired convertible bonds issued by Rayhoo Motor Dies Co., Ltd.\* (瑞鹄汽車模具股份有限公司) on 24 June 2022 and the convertible bonds are fully sold on 19 June 2023.

(c) The wealth management products and structured deposits were issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. All the structured deposits are principal-guaranteed while wealth management products are not principal-guaranteed.

\* The English name of these entities above represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

**The Company**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Current Portion				
Wealth management products and structured deposits, at fair value. .	<u>6,025</u>	<u>5,212</u>	<u>19,118</u>	<u>29,265</u>

## 21. INVENTORIES

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Raw materials . . . . .	1,438	1,755	2,370	2,517
Work in progress . . . . .	1,374	2,618	4,911	4,876
Finished goods . . . . .	10,061	26,662	29,043	31,114
Total . . . . .	<u>12,873</u>	<u>31,035</u>	<u>36,324</u>	<u>38,507</u>

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group's inventories with a carrying amount of nil, nil, RMB1,288 million and RMB1,246 million, respectively, were pledged as security for the Group's bank loans.

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Raw materials . . . . .	737	1,020	1,506	1,409
Work in progress . . . . .	655	1,093	1,865	1,889
Finished goods . . . . .	3,785	7,630	6,350	6,206
Total . . . . .	<u>5,177</u>	<u>9,743</u>	<u>9,721</u>	<u>9,504</u>

## 22. TRADE RECEIVABLES

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates . . . . .	2,160	1,787	2,535	2,315
Associates and its subsidiaries . . . . .	419	542	1,058	1,353
Joint ventures and its subsidiaries . . . . .	419	484	719	862
Wuhu Investment Holding and its subsidiaries . . . . .	66	11	39	58
Third parties . . . . .	<u>7,730</u>	<u>9,797</u>	<u>14,137</u>	<u>17,750</u>
Trade receivables . . . . .	10,794	12,621	18,488	22,338
Impairment . . . . .	<u>(1,273)</u>	<u>(1,353)</u>	<u>(1,065)</u>	<u>(1,068)</u>
Net carrying amount . . . . .	<u>9,521</u>	<u>11,268</u>	<u>17,423</u>	<u>21,270</u>

Advance payments is normally required for sales of passenger vehicles, except for some long-standing customers with bulk purchases and good credit standing, where payment is generally due from 30 to 180 days from delivery. Trade receivables are non-interest bearing.

**The Company**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Company's subsidiaries. . . . .	4,104	7,765	30,137	36,701
Chery holding Group Co., Ltd. and its subsidiaries, joint ventures and associates. . . . .	225	246	1,030	556
Associates and its subsidiaries . . . .	264	335	708	985
Joint ventures and its subsidiaries . .	414	482	580	674
Wuhu Investment Holding and its subsidiaries . . . . .	1	7	30	51
Third parties . . . . .	5,398	8,917	13,553	13,180
Trade receivables . . . . .	10,406	17,752	46,038	52,147
Impairment . . . . .	(821)	(967)	(1,033)	(864)
Net carrying amount . . . . .	9,585	16,785	45,005	51,283

An aging analysis of the trade receivables as at 31 December 2022, 2023, 2024 and 31 March 2025 based on the time of revenue recognition and net of loss allowance, is as follows:

**The Group**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Within 1 year. . . . .	9,059	9,473	17,336	21,233
1 to 2 years. . . . .	281	1,737	74	29
2 to 3 years. . . . .	181	58	13	8
Total . . . . .	9,521	11,268	17,423	21,270

**The Company**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Within 1 year. . . . .	8,843	14,983	42,326	49,306
1 to 2 years. . . . .	736	1,608	2,178	1,977
2 to 3 years. . . . .	6	194	501	—
Total . . . . .	9,585	16,785	45,005	51,283



The movements in the loss allowance for impairment of trade receivables are as follows:

**The Group**

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
At beginning of year/period . . . . .	1,093	1,273	1,353	1,065
Impairment losses, net ( <i>note 6</i> ) . . . . .	173	85	15	10
Amount written-off as uncollectible . . . . .	(1)	(7)	(297)	–
Exchange realignment . . . . .	8	2	(6)	(7)
At end of year/period . . . . .	<u>1,273</u>	<u>1,353</u>	<u>1,065</u>	<u>1,068</u>

**The Company**

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
At beginning of year/period . . . . .	809	821	967	1,033
Impairment losses, net . . . . .	12	146	198	(169)
Amount written-off as uncollectible . . . . .	–	–	(132)	–
At end of year/period . . . . .	<u>821</u>	<u>967</u>	<u>1,033</u>	<u>864</u>

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of the shared credit risk and the aging of the trade receivables to measure the expected credit losses. The expected credit losses of trade receivables are assessed on an individual or portfolio basis. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information. The aging profile is determined based on the revenue recognition date.

The information about the credit risk exposure on the Group's trade receivables are set out below:

**The Group**

As at 31 December 2022

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB million	RMB million	RMB million
Provision on a collective basis				
Aged within 1 year . . . . .	1.27%	8,710	(111)	8,599
Aged 1 to 2 years . . . . .	3.10%	290	(9)	281
Aged 2 to 3 years . . . . .	24.90%	241	(60)	181
Aged over 3 years . . . . .	100.00%	325	(325)	–
Provision on an individual basis-				
National NEV subsidies . . . . .	4.96%	484	(24)	460
Provision on an individual basis-				
Others . . . . .	100.00%	744	(744)	–
		<u>10,794</u>	<u>(1,273)</u>	<u>9,521</u>

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Provision on a collective basis				
Aged within 1 year . . . . .	1.93%	9,392	(181)	9,211
Aged 1 to 2 years . . . . .	4.93%	1,827	(90)	1,737
Aged 2 to 3 years . . . . .	28.40%	81	(23)	58
Aged over 3 years . . . . .	100.00%	295	(295)	–
Provision on an individual basis-				
National NEV subsidies . . . . .	5.07%	276	(14)	262
Provision on an individual basis-				
Others . . . . .	100.00%	750	(750)	–
		<u>12,621</u>	<u>(1,353)</u>	<u>11,268</u>

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Provision on a collective basis				
Aged within 1 year . . . . .	1.28%	17,070	(219)	16,851
Aged 1 to 2 years . . . . .	5.13%	78	(4)	74
Aged 2 to 3 years . . . . .	27.78%	18	(5)	13
Aged over 3 years . . . . .	100.00%	81	(81)	–
Provision on an individual basis-				
National NEV subsidies . . . . .	5.09%	511	(26)	485
Provision on an individual basis-				
Others . . . . .	100.00%	730	(730)	–
		<u>18,488</u>	<u>(1,065)</u>	<u>17,423</u>

As at 31 March 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Provision on a collective basis				
Aged within 1 year . . . . .	1.28%	21,217	(272)	20,945
Aged 1 to 2 years . . . . .	6.45%	31	(2)	29
Aged 2 to 3 years . . . . .	38.46%	13	(5)	8
Aged over 3 years . . . . .	100.00%	43	(43)	–
Provision on an individual basis-				
National NEV subsidies . . . . .	4.95%	303	(15)	288
Provision on an individual basis-				
Others . . . . .	100.00%	731	(731)	–
		<u>22,338</u>	<u>(1,068)</u>	<u>21,270</u>

The information about the credit risk exposure on the Company's trade receivables are set out below:

**The Company**

As at 31 December 2022

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB million	RMB million	RMB million
Provision on a collective basis				
Aged within 1 year . . . . .	0.30%	8,870	(27)	8,843
Aged 1 to 2 years . . . . .	2.26%	753	(17)	736
Aged 2 to 3 years . . . . .	25.00%	8	(2)	6
Aged over 3 years . . . . .	100.00%	177	(177)	—
Provision on an individual basis . . .	100.00%	598	(598)	—
		<u>10,406</u>	<u>(821)</u>	<u>9,585</u>

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB million	RMB million	RMB million
Provision on a collective basis				
Aged within 1 year . . . . .	0.55%	15,066	(83)	14,983
Aged 1 to 2 years . . . . .	4.57%	1,685	(77)	1,608
Aged 2 to 3 years . . . . .	26.79%	265	(71)	194
Aged over 3 years . . . . .	100.00%	159	(159)	—
Provision on an individual basis . . .	100.00%	577	(577)	—
		<u>17,752</u>	<u>(967)</u>	<u>16,785</u>

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB million	RMB million	RMB million
Provision on a collective basis				
Aged within 1 year . . . . .	0.33%	42,466	(140)	42,326
Aged 1 to 2 years . . . . .	3.29%	2,252	(74)	2,178
Aged 2 to 3 years . . . . .	25.00%	668	(167)	501
Aged over 3 years . . . . .	100.00%	28	(28)	—
Provision on an individual basis . . .	100.00%	624	(624)	—
		<u>46,038</u>	<u>(1,033)</u>	<u>45,005</u>

As at 31 March 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB million	RMB million	RMB million
Provision on a collective basis				
Aged within 1 year . . . . .	0.33%	49,470	(164)	49,306
Aged 1 to 2 years . . . . .	3.28%	2,044	(67)	1,977
Aged 2 to 3 years . . . . .	N/A	—	—	—
Aged over 3 years . . . . .	100.00%	9	(9)	—
Provision on an individual basis . . .	100.00%	624	(624)	—
		<u>52,147</u>	<u>(864)</u>	<u>51,283</u>

## 23. BILLS RECEIVABLES

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Bank acceptance bills. . . . .	<u>6,167</u>	<u>10,805</u>	<u>774</u>	<u>330</u>

As at 31 December 2022, 2023, 2024 and 31 March 2025, bank acceptance bills of the Group amounting to RMB305 million, RMB384 million, RMB349 million, and RMB10 million, respectively, were pledged as collaterals to issue bills payable. All bank acceptance bills are aged within 6 months. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Bank acceptance bills. . . . .	<u>3,485</u>	<u>4,636</u>	<u>477</u>	<u>1,089</u>

As at 31 December 2022, 2023, 2024 and 31 March 2025, bank acceptance bills of the Company amounting to RMB553 million, RMB584 million, RMB349 million, and RMB419 million, respectively, were pledged as collaterals to issue bills payable.

## 24. CONTRACT ASSETS

## The Group

	As at 1 January	As at 31 December	As at 31 December	As at 31 December	As at 31 March
	2022	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million	RMB million
Contract assets arising from:					
National NEV subsidies . . . . .	<u>1,520</u>	<u>1,249</u>	<u>479</u>	—	—
Impairment . . . . .	<u>(76)</u>	<u>(62)</u>	<u>(24)</u>	—	—
Net carrying amount . . . . .	<u>1,444</u>	<u>1,187</u>	<u>455</u>	—	—

The movements in the loss allowance for impairment of contract assets are as follows:

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
At beginning of year/period . . . . .	76	62	24	—
Impairment losses, net (note 6) . . . . .	<u>(14)</u>	<u>(38)</u>	<u>(24)</u>	—
At end of year/period . . . . .	<u>62</u>	<u>24</u>	<u>—</u>	<u>—</u>

National subsidies receivable is related to sales of qualified new energy passenger vehicles, which were settled after appropriate review and approval by government.

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Bills receivables, at fair value . . . . .	<u>2,359</u>	<u>4,433</u>	<u>7,547</u>	<u>1,802</u>

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Bills receivables, at fair value . . . . .	<u>1,903</u>	<u>1,338</u>	<u>4,557</u>	<u>1,291</u>

The Group and the Company has classified bills receivables that are held both to collect cash flows and to sell as financial assets at fair value through other comprehensive income under HKFRS 9. All these receivables at fair value through other comprehensive income are aged within 6 months. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

## 26. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND PLEDGED DEPOSITS

## The Group

## (a) Cash and cash equivalents

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Cash and cash equivalents . . . . .	<u>12,686</u>	<u>35,048</u>	<u>62,693</u>	<u>37,498</u>

Denominated in:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	10,243	32,222	56,809	28,397
United States Dollar . . . . .	1,922	1,265	2,098	4,770
Euro . . . . .	—	—	1,234	1,587
Russian Ruble . . . . .	166	830	776	835
Mexican Peso . . . . .	156	141	502	266
Turkish Lira . . . . .	17	345	613	613
Others . . . . .	182	245	661	1,030
Total . . . . .	<u>12,686</u>	<u>35,048</u>	<u>62,693</u>	<u>37,498</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) *Restricted bank deposits*

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Restricted cash balances . . . . .	932	587	75	2,303
	<u>932</u>	<u>587</u>	<u>75</u>	<u>2,303</u>
	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Pledged cash balances for bank acceptance bills . . . . .	797	581	45	73
Pledged cash balances for other purpose . . . . .	135	6	27	230
Funds on hold for the structured deposit subscription . . . . .	—	—	—	2,000
Pledged cash balances for bank loans . . . . .	—	—	3	—
Total . . . . .	<u>932</u>	<u>587</u>	<u>75</u>	<u>2,303</u>

As at 31 March 2025, the Group committed funds of RMB2,000 million for purchases of structured deposit with Industrial Bank Co., Ltd. Changshu Branch.

(c) *Time deposits*

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Short-term time deposits with original maturities of over three months and due within one year . .	3,373	2,188	7,319	16,204
Time deposits with original maturities over one year . . . . .	<u>1,987</u>	<u>2,810</u>	<u>244</u>	<u>35</u>
Total . . . . .	<u>5,360</u>	<u>4,998</u>	<u>7,563</u>	<u>16,239</u>

Denominated in:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	5,360	4,998	7,203	15,521
United States Dollar . . . . .	<u>—</u>	<u>—</u>	<u>360</u>	<u>718</u>
Total . . . . .	<u>5,360</u>	<u>4,998</u>	<u>7,563</u>	<u>16,239</u>

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Pledged time deposits for bank loans . . . . .	–	200	200	–
Pledged time deposits for bank acceptance bills . . . . .	5,076	2,383	788	352
Total . . . . .	<u>5,076</u>	<u>2,583</u>	<u>988</u>	<u>352</u>

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group has time deposits at Chery HuiYin Motor Finance Service Co., Ltd amounted to nil, nil, RMB5,400 million and RMB3,400 million, respectively.

### The Company

#### (a) Cash and cash equivalents

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Cash and cash equivalents . . . . .	<u>5,693</u>	<u>19,433</u>	<u>55,287</u>	<u>28,757</u>

Denominated in:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	4,803	18,381	54,544	26,953
United States Dollar . . . . .	879	1,052	442	1,502
Others . . . . .	11	–	301	302
Total . . . . .	<u>5,693</u>	<u>19,433</u>	<u>55,287</u>	<u>28,757</u>

#### (b) Restricted bank deposits

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Pledged cash balances for bank acceptance bills . . . . .	166	20	–	–
Funds on hold for the structured deposit subscription . . . . .	–	–	–	2,000
Pledged cash balances for other purpose . . . . .	<u>135</u>	<u>5</u>	<u>–</u>	<u>–</u>
Total . . . . .	<u>301</u>	<u>25</u>	<u>–</u>	<u>2,000</u>

As at 31 March 2025, the Company committed funds of RMB2,000 million for purchases of structured deposit with Industrial Bank Co., Ltd. Changshu Branch.

## (c) Time deposits

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Short-term time deposits with original maturities of over three months and due within one year . .	503	1,657	5,914	13,721

Denominated in:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	503	1,657	5,554	13,577
United States Dollar . . . . .	—	—	360	144
Total . . . . .	503	1,657	5,914	13,721

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Pledged time deposits for bank acceptance bills . . . . .	500	—	—	—

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Company has time deposits at Chery HuiYin Motor Finance Service Co., Ltd amounted to nil, nil, RMB5,400 million and RMB3,400 million, respectively.

## 27. TRADE AND BILLS PAYABLES

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Trade payables . . . . .	42,421	71,547	99,771	95,477
Bills payable . . . . .	9,287	2,861	1,725	6,926
Total . . . . .	51,708	74,408	101,496	102,403

An aging analysis of the trade and bills payables of the Group as at 31 December 2022, 2023, 2024 and 31 March 2025 based on the time of purchase, is as follows:

Trade payables	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Within 1 year . . . . .	41,253	70,130	99,286	94,794
1 to 2 years . . . . .	633	1,094	367	563
2 to 3 years . . . . .	170	201	39	42
Over 3 years . . . . .	365	122	79	78
Total . . . . .	42,421	71,547	99,771	95,477



# APPENDIX I

# ACCOUNTANTS' REPORT

Bills payable	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Within 1 year. . . . .	9,287	2,861	1,725	6,926

Included in the balances of trade and bills payables are the following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates. . . . .	2,145	1,585	2,667	1,383
Luxshare Limited and its subsidiaries . . . . .	8	105	1,181	844
Wuhu Investment Holding and its subsidiaries . . . . .	795	1,261	1,761	1,849
Joint ventures and its subsidiaries . .	40	1	3	49
Associates and its subsidiaries . . . .	3,964	6,389	7,528	9,326
Total . . . . .	6,952	9,341	13,140	13,451

The trade payables are non-interest-bearing and are normally settled on 30-day to 180-day terms after acceptance of invoices.

The balances of trade and bills payables with related parties are all trade in nature.

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Trade payables . . . . .	24,490	44,439	78,972	75,128
Bills payable . . . . .	2,298	320	808	5,590
Total . . . . .	26,788	44,759	79,780	80,718

An aging analysis of the trade and bills payables of the Company as at 31 December 2022, 2023, 2024 and 31 March 2025, based on the time of purchase, is as follows:

Trade payables	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Within 1 year. . . . .	23,619	43,449	78,798	74,852
1 to 2 years. . . . .	358	592	94	190
2 to 3 years. . . . .	151	244	12	20
Over 3 years . . . . .	362	154	68	66
Total . . . . .	24,490	44,439	78,972	75,128

Bills payable	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Within 1 year. . . . .	<u>2,298</u>	<u>320</u>	<u>808</u>	<u>5,590</u>

Included in the balances of trade and bills payables are the following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Company's subsidiaries. . . . .	3,493	5,052	6,580	10,122
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates. . . . .	725	173	930	360
Luxshare Limited and its subsidiaries . . . . .	8	65	334	248
Wuhu Investment Holding and its subsidiaries . . . . .	191	499	1,322	1,465
Joint ventures and its subsidiaries . . . . .	—	—	—	49
Associates and its subsidiaries . . . . .	<u>1,116</u>	<u>2,830</u>	<u>6,724</u>	<u>8,660</u>
Total . . . . .	<u>5,533</u>	<u>8,619</u>	<u>15,890</u>	<u>20,904</u>

The balances of trade and bills payables with related parties are all trade in nature.

## 28. OTHER PAYABLES AND ACCRUALS

### The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Non-current portion				
Other payables for additions of property, plant and equipment . . . . .	1,019	2,077	2,806	2,806
Equity repurchases . . . . .	282	804	836	843
Long-term payables . . . . .	<u>2,300</u>	<u>3,000</u>	<u>1,212</u>	<u>1,430</u>
Total non-current portion . . . . .	<u>3,601</u>	<u>5,881</u>	<u>4,854</u>	<u>5,079</u>
Current portion				
Accrued salaries, bonuses and benefits . . . . .	1,934	4,016	4,978	3,494
Other payables for additions of property, plant and equipment . . . . .	1,735	3,349	3,371	2,985
Other tax payables . . . . .	1,250	1,573	1,917	2,601
Marketing and promotion expense payables . . . . .	985	1,353	2,081	2,190
Deposit from suppliers and distributors. . . . .	953	1,277	1,431	1,462
Transportation fee payables . . . . .	297	990	1,478	1,688
Other payables . . . . .	<u>5,074</u>	<u>6,401</u>	<u>7,181</u>	<u>5,750</u>
Total current portion . . . . .	<u>12,228</u>	<u>18,959</u>	<u>22,437</u>	<u>20,170</u>

Other payables in current portion are non-interest-bearing and the terms of repayment is within 12 months.

Included in the balances of other payables and accruals are the following balances with related parties:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates . . . . .	468	480	169	200
Associates and its subsidiaries . . . .	1,190	1,033	1,050	1,063
Wuhu Investment Holding and its subsidiaries . . . . .	109	120	5	420
Ruichuang and its subsidiaries . . . .	—	5	430	1
Joint ventures and its subsidiaries . .	7	15	—	—
Total . . . . .	<u>1,774</u>	<u>1,653</u>	<u>1,654</u>	<u>1,684</u>

The balances of the Group's other payables and accruals to the related parties are trade in nature.

#### The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Non-current portion				
Other payables for additions of property, plant and equipment . . .	839	1,995	2,727	2,723
Total non-current portion . . . . .	<u>839</u>	<u>1,995</u>	<u>2,727</u>	<u>2,723</u>
Current portion				
Other payables for additions of property, plant and equipment . . .	1,536	2,524	2,206	1,922
Accrued salaries, bonuses and benefits . . . . .	1,229	2,789	3,750	2,826
Other tax payables . . . . .	507	1,053	1,061	1,289
Transportation fees payables . . . .	140	176	377	608
Marketing and promotion expenses payables . . . . .	28	69	165	179
Deposit from suppliers and distributors . . . . .	15	116	29	43
Other payables . . . . .	<u>14,960</u>	<u>20,972</u>	<u>40,319</u>	<u>43,071</u>
Total current portion . . . . .	<u>18,415</u>	<u>27,699</u>	<u>47,907</u>	<u>49,938</u>

The amounts attributable to related parties included in above other payables and accruals are as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates . . . . .	215	359	2	107
Company's subsidiaries . . . . .	12,438	19,236	36,998	40,078
Associates and its subsidiaries . . . .	1,186	983	1,038	992
Wuhu Investment Holding and its subsidiaries . . . . .	105	112	3	418
Ruichuang and its subsidiaries . . . .	—	5	430	1
Joint ventures and its subsidiaries . .	7	—	—	—
Total . . . . .	<u>13,951</u>	<u>20,695</u>	<u>38,471</u>	<u>41,596</u>

The balances of the Company's other payables and accruals to the related parties are trade in nature.

## 29. DERIVATIVE FINANCIAL INSTRUMENTS

## The Group

	As at 31 December 2022		As at 31 December 2023		As at 31 December 2024		As at 31 March 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Forward exchange contracts . . . . .	241	—	31	86	—	—	—	—
Interest rate swaps contracts . . . . .	—	3	—	—	—	—	—	—
Total . . . . .	<u>241</u>	<u>3</u>	<u>31</u>	<u>86</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

The forward exchange contracts and interest rate swaps contracts are not designated for hedging and are measured at fair value through profit or loss. Changes in the fair value of forward exchange contracts and interest rate swaps contracts amounting to RMB238 million, RMB(55) million, nil and nil were charged to the statement of profit or loss for the Relevant Periods, respectively.

## 30. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

## The Group

	As at 31 December 2022		
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	3.02	2023	13,208
Bank loans – secured . . . . .	2.05	2023	1,857
Current portion of long term bank loans – unsecured . . . . .	3.49	2023	1,989
Current portion of long term bank loans – secured . . . . .	2.94	2023	1,752
Total – current . . . . .			<u>18,806</u>
<b>Non-current</b>			
Bank loans – unsecured . . . . .	3.49	2024-2027	8,064
Bank loans – secured . . . . .	2.94	2024-2026	6,253
Total – non-current . . . . .			<u>14,317</u>
Total . . . . .			<u><u>33,123</u></u>

	As at 31 December 2023		
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	12.01	2024	21,277
Bank loans – secured . . . . .	2.95	2024	1,275
Current portion of long term bank loans – unsecured . . . . .	2.94	2024	3,855
Current portion of long term bank loans – secured . . . . .	2.76	2024	5,317
Total – current . . . . .			<u>31,724</u>
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.94	2025-2026	5,284
Bank loans – secured . . . . .	2.76	2025-2037	1,500
Total – non-current . . . . .			<u>6,784</u>
Total . . . . .			<u><u>38,508</u></u>

As at 31 December 2024			
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	7.23	2025	9,243
Bank loans – secured . . . . .	22.53	2025	1,545
Current portion of long term bank loans – unsecured . .	2.66	2025	9,149
Current portion of long term bank loans – secured . . .	2.92	2025	131
Total – current . . . . .			20,068
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.56	2026-2027	2,750
Bank loans – secured . . . . .	3.12	2026-2033	348
Total – non-current . . . . .			3,098
Total . . . . .			23,166

As at 31 March 2025			
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	11.65	2025	8,720
Bank loans – secured . . . . .	29.11	2025	1,249
Current portion of long term bank loans –unsecured . .	2.48	2025-2026	6,497
Current portion of long term bank loans – secured . . .	3.50	2026	48
Total – current . . . . .			16,514
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.48	2026-2032	2,770
Bank loans – secured . . . . .	3.50	2026-2033	338
Other loans – unsecured . . . . .	2.05	2026-2029	2,008
Total – non-current . . . . .			5,116
Total . . . . .			21,630

The carrying amounts of borrowings are denominated in the following currencies.

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	31,317	25,870	14,262	12,245
Russian Ruble . . . . .	849	12,502	8,856	8,940
United States Dollar . . . . .	957	–	–	–
Turkish Lira . . . . .	–	136	48	275
Mexican Peso . . . . .	–	–	–	170
Total . . . . .	33,123	38,508	23,166	21,630

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Analysed into:				
Bank loans and other borrowings:				
Within one year or on demand .	18,806	31,724	20,068	16,514
In the second year . . . . .	9,687	4,332	1,705	1,898
In the third to fifth years,				
inclusive . . . . .	4,630	2,422	1,334	3,123
Beyond five years . . . . .	—	30	59	95
Total . . . . .	<u>33,123</u>	<u>38,508</u>	<u>23,166</u>	<u>21,630</u>

- (a) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group guaranteed by the Chery Holding Limited and its subsidiaries amounted to RMB4,799 million, RMB2,175 million, nil and nil, respectively.
- (b) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group guaranteed by Wuhu Investment Holding amounted to RMB2,500 million, RMB3,920 million, nil and nil, respectively.
- (c) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group guaranteed by certain third party companies amounted to RMB623 million, RMB1,016 million, nil and nil, respectively.
- (d) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group secured by mortgage of construction in progress, buildings and leasehold land amounted to nil, RMB30 million, RMB148 million and RMB156 million respectively.
- (e) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group secured by mortgage of patents, buildings, machineries, construction in progress and leasehold land amounting to nil, RMB240 million, RMB230 million and RMB230 million, respectively.
- (f) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group secured by pledge of certificates of deposit amounted to nil, RMB200 million, RMB195 million and nil, respectively.
- (g) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings guaranteed by the Group's subsidiaries amounted to RMB1,323 million, RMB450 million, RMB110 million and nil, respectively.
- (h) As at 31 December 2022, 2023, 2024 and 31 March 2025, the amounts from discounted unmatured bills receivables presented as borrowings were RMB617 million, RMB61 million, RMB43 million and nil, respectively.
- (i) As at 31 December 2022, 2023, 2024, and 31 March 2025, the outstanding balances of borrowings guaranteed by inventory were nil, nil, RMB1,295 million and RMB1,246 million, respectively.
- (j) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings guaranteed by term deposit were nil, nil, RMB3 million and RMB3 million, respectively.

## The Company

As at 31 December 2022			
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	3.40	2023	7,851
Bank loans – secured . . . . .	3.67	2023	610
Current portion of long term bank loans – unsecured . . . . .	3.63	2023	884
Current portion of long term bank loans – secured . . . . .	2.73	2023	1,038
Total – current . . . . .			10,383
<b>Non-current</b>			
Bank loans – unsecured . . . . .	3.63	2024-2026	6,183
Bank loans – secured . . . . .	2.73	2024	4,564
Total – non-current . . . . .			10,747
Total . . . . .			21,130

As at 31 December 2023			
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	3.23	2024	5,860
Bank loans – secured . . . . .	2.90	2024	300
Current portion of long term bank loans – unsecured . . . . .	2.93	2024	3,298
Current portion of long term bank loans – secured . . . . .	2.58	2024	3,921
Total – current . . . . .			13,379
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.93	2025-2026	4,373
Bank loans – secured . . . . .	2.40	2026	1,030
Total – non-current . . . . .			5,403
Total . . . . .			18,782

As at 31 December 2024			
	Weighted average interest rate	Maturity	RMB million
	(%)		
<b>Current</b>			
Bank loans – unsecured . . . . .	2.96	2025	1,096
Bank loans – secured . . . . .	0.17	2025	41
Current portion of long term bank loans – unsecured . . . . .	2.50	2025	8,429
Total – current . . . . .			9,566
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.51	2026-2027	2,640
Total – non-current . . . . .			2,640
Total . . . . .			12,206

	As at 31 March 2025		
	Weighted average interest rate (%)	Maturity	RMB million
<b>Current</b>			
Bank loans – unsecured . . . . .	2.59	2025-2026	480
Current portion of long term bank loans – unsecured . . . . .	2.48	2025-2026	6,316
Total – current . . . . .			6,796
<b>Non-current</b>			
Bank loans – unsecured . . . . .	2.44	2026-2027	2,640
Total – non-current . . . . .			2,640
Total . . . . .			9,436

The carrying amounts of borrowings are denominated in the following currencies:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
RMB . . . . .	21,130	18,782	12,206	9,436

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Analysed into:				
Bank loans:				
Within one year or on demand . . . . .	10,383	13,379	9,566	6,796
In the second year . . . . .	7,822	4,817	1,530	1,530
In the third to fifth years, inclusive . . . . .	2,925	586	1,110	1,110
Total . . . . .	21,130	18,782	12,206	9,436

- (a) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Company guaranteed by Chery Holding Company and its subsidiaries amounted to RMB3,098 million, RMB1,030, nil, and nil, respectively.
- (b) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Company guaranteed by Wuhu Investment Holding amounted to RMB2,500 million, RMB3,920 million, nil, and nil, respectively.
- (c) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Company guaranteed by certain third party companies amounted to nil, RMB300 million, nil, and nil, respectively.
- (d) As at 31 December 2022, 2023, 2024 and 31 March 2025, the amounts of discounted unmatured bills receivables reclassified as borrowings were RMB610 million, nil, RMB41 million, and nil, respectively.



## 31. BONDS PAYABLE

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Non-current . . . . .	625	—	—	—
Current . . . . .	71	—	—	—
Total . . . . .	696	—	—	—
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Non-current . . . . .	625	—	—	—
Current . . . . .	71	—	—	—
Total . . . . .	696	—	—	—
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

The bonds were issued in an aggregate principal amount of RMB700 million in September 2022, with a term of three years, and bear an interest rate of 3.0% per annum. The bonds were fully prepaid in September 2023.

## 32. CONTRACT LIABILITIES

## The Group

	As at 1 January	As at 31 December			As at 31 March
	2022	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million	RMB million
Advance payments from customers . . . . .	4,310	5,928	12,920	9,456	7,633
Sales rebate to customers . . . . .	896	2,102	5,669	5,863	5,455
Total . . . . .	5,206	8,030	18,589	15,319	13,088
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

## The Company

	As at 1 January	As at 31 December			As at 31 March
	2022	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million	RMB million
Advance payments from customers . . . . .	2,772	4,493	8,690	4,134	4,315
Sales rebate to customers . . . . .	43	50	183	204	394
Total . . . . .	2,815	4,543	8,873	4,338	4,709
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Included in the above balances are the following balances with related parties:

#### The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries . . . . .	104	493	63	56
Joint ventures and its subsidiaries . .	516	611	294	362
Associates and its subsidiaries . . . .	3	4	1	5
Wuhu Investment Holding and its subsidiaries . . . . .	—	3	2	3
Total . . . . .	<u>623</u>	<u>1,111</u>	<u>360</u>	<u>426</u>

#### The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Company's subsidiaries. . . . .	2,891	6,148	522	812
Chery Holding Group Co., Ltd. and its subsidiaries . . . . .	24	20	27	23
Joint ventures and its subsidiaries . .	516	611	288	358
Associates and its subsidiaries . . . .	3	—	1	3
Total . . . . .	<u>3,434</u>	<u>6,779</u>	<u>838</u>	<u>1,196</u>

The balances of contract liabilities with related parties are all trade in nature.

Contract liabilities of the Group mainly consist of advance payments made by customers for goods and sales rebate payables to customers which will be normally settled for purchases of vehicles and components.

### 33. DEFERRED TAX

#### The Group

The movements in deferred tax assets of the Group during each of the Relevant Periods are as follows:

	Impairment of financial and contract assets and non-financial assets	Accruals and provisions	Tax losses	Unrealized gains or losses on internal transactions	Lease liabilities	Others	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
As at 1 January 2022 . . . . .	395	400	3,375	13	31	10	4,224
Acquisition of a subsidiary. . . .	142	—	23	—	—	—	165
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10) . . . .	<u>65</u>	<u>497</u>	<u>(210)</u>	<u>76</u>	<u>(1)</u>	<u>8</u>	<u>435</u>
As at 1 January 2023 . . . . .	602	897	3,188	89	30	18	4,824
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10) . . . .	<u>(70)</u>	<u>888</u>	<u>(2,122)</u>	<u>405</u>	<u>10</u>	<u>9</u>	<u>(880)</u>

	Impairment of financial and contract assets and non-financial assets	Accruals and provisions	Tax losses	Unrealized gains or losses on internal transactions	Lease liabilities	Others	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
As at 1 January 2024 . . . . .	532	1,785	1,066	494	40	27	3,944
Acquisition of a subsidiary . . . . .	–	–	521	–	5	–	526
Transfer . . . . .	(148)	(103)	(25)	(9)	(26)	–	(311)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10) . . . . .	378	1,429	(900)	43	298	1	1,249
As at 1 January 2025 . . . . .	762	3,111	662	528	317	28	5,408
Disposal of subsidiaries . . . . .	–	–	(12)	–	(4)	–	(16)
Deferred tax credited/(charged) to the statement of profit or loss during the period (note 10) . . . . .	(55)	53	(232)	69	(33)	1	(197)
As at 31 March 2025 . . . . .	707	3,164	418	597	280	29	5,195

The movements in deferred tax liabilities of the Group during the Relevant Periods are as follows:

	Changes in fair value	Withholding tax on dividends	Right-of-use assets	Others	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
As at 1 January 2022 . . . . .	68	1	31	48	148
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10) . . . . .	14	140	(1)	(17)	136
As at 1 January 2023 . . . . .	82	141	30	31	284
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10) . . . . .	(58)	101	25	4	72
As at 1 January 2024 . . . . .	24	242	55	35	356
Acquisition of a subsidiary . . . . .	–	–	5	133	138
Transfer . . . . .	–	–	(27)	–	(27)
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10) . . . . .	(5)	(155)	216	(15)	41
As at 1 January 2025 . . . . .	19	87	249	153	508
Disposal of subsidiaries . . . . .	–	–	(3)	–	(3)
Deferred tax charged/(credited) to the statement of profit or loss during the period (note 10) . . . . .	(1)	4	6	7	16
As at 31 March 2025 . . . . .	18	91	252	160	521

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Net deferred tax assets recognised in the consolidated statement of financial position . . . . .	4,691	3,829	5,131	4,915
Net deferred tax liabilities recognised in the consolidated statement of financial position . . .	151	241	231	241

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Tax losses . . . . .	2,841	6,414	12,655	16,974
Deductible temporary differences . .	7,094	13,311	14,575	12,436

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose. In PRC, the tax loss can be carried forward to 5 years, where the entity is recognized as HNTE, the tax losses can be carried forward to 10 years. The majority of tax losses in overseas can be carried forward indefinitely.

Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

### The Company

#### Deferred tax assets

The movements in deferred tax assets of the Company during the Relevant Periods are as follows:

	Impairment of financial and contract assets and non-financial assets	Accruals and provisions	Fair value adjustments	Tax losses	Lease liabilities	Total
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
As at 1 January 2022 . . . . .	330	376	3	2,893	2	3,604
Deferred tax credited/ (charged) to the statement of profit or loss during the year . . . . .	(23)	206	2	(338)	1	(152)
As at 1 January 2023 . . . . .	307	582	5	2,555	3	3,452
Deferred tax credited/ (charged) to the statement of profit or loss during the year . . . . .	18	712	2	(2,069)	(2)	(1,339)
As at 1 January 2024 . . . . .	325	1,294	7	486	1	2,113

	Impairment of financial and contract assets and non-financial assets	Accruals and provisions	Fair value adjustments	Tax losses	Lease liabilities	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Deferred tax credited/ (charged) to the statement of profit or loss during the year . . . . .	(11)	769	(5)	(486)	247	514
As at 1 January 2025 . . . . .	314	2,063	2	—	248	2,627
Deferred tax credited/(charged) to the statement of profit or loss during the period . . . . .	(36)	52	2	—	1	19
As at 31 March 2025 . . . . .	278	2,115	4	—	249	2,646

Deferred tax liabilities

The movements in deferred tax liabilities of the Company during each of the Relevant Periods are as follows:

	Changes in fair value	Depreciation of fixed assets	Right-of-use assets	Total
	RMB million	RMB million	RMB million	RMB million
As at 1 January 2022 . . . . .	1	—	2	3
Deferred tax charged to the statement of profit or loss during the year . . . . .	5	3	1	9
As at 1 January 2023 . . . . .	6	3	3	12
Deferred tax credited to the statement of profit or loss during the year . . . . .	(4)	—	(2)	(6)
As at 1 January 2024 . . . . .	2	3	1	6
Deferred tax charged to the statement of profit or loss during the year . . . . .	9	(2)	226	233
As at 1 January 2025 . . . . .	11	1	227	239
Deferred tax charged to the statement of profit or loss during the period . . . . .	6	—	(3)	3
As at 31 March 2025 . . . . .	17	1	224	242

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Net deferred tax assets recognised in the statement of financial position . . . . .	3,440	2,107	2,388	2,404
Net deferred tax liabilities recognised in the statement of financial position . . . . .	—	—	—	—

## 34. DEFERRED INCOME

## The Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Government grant . . . . .	569	1,279	5,463	5,065
Less: Current portion . . . . .	54	102	180	886
Non-current portion . . . . .	515	1,177	5,283	4,179

## The Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Government grant . . . . .	195	725	5,092	4,891
Less: Current portion . . . . .	19	16	118	865
Non-current portion . . . . .	176	709	4,974	4,026

## 35. PROVISION

## The Group

	Note	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
Warranties . . . . .	(a)	2,643	5,623	9,498	10,850
Litigations . . . . .		5	55	169	263
		2,648	5,678	9,667	11,113
Less: Current Portion . . . . .		856	2,395	2,816	3,298
		1,792	3,283	6,851	7,815

(a) Warranties

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
At beginning of the year/period . . . . .	891	2,643	5,623	9,498
Additional provision . . . . .	2,858	5,213	7,477	2,046
Amounts utilized during the year/period . .	(1,101)	(2,222)	(3,504)	(861)
Exchange realignment . . . . .	(5)	(11)	(98)	167
At the end of the year/period . . . . .	2,643	5,623	9,498	10,850
Less: current portion . . . . .	856	2,395	2,816	3,298
Non-current portion . . . . .	1,787	3,228	6,682	7,552

The Group provides for warranties in relation to the sales of passenger vehicles, automotive parts and components. Provisions for warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate.

### The Company

	Note	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB million	RMB million	RMB million	RMB million
Warranties . . . . .	(a)	2,088	4,334	7,638	8,190
Less: Current Portion . . . . .		635	1,492	2,682	2,928
Non-current portion . . . . .		<u>1,453</u>	<u>2,842</u>	<u>4,956</u>	<u>5,262</u>

#### (a) Warranties

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
At beginning of the year/period . . . . .	680	2,088	4,334	7,638
Additional provision . . . . .	2,398	3,569	5,164	1,068
Amounts utilized during the year/period . .	(990)	(1,323)	(1,860)	(516)
At the end of the year/period . . . . .	<u>2,088</u>	<u>4,334</u>	<u>7,638</u>	<u>8,190</u>
Less: current portion . . . . .	<u>635</u>	<u>1,492</u>	<u>2,682</u>	<u>2,928</u>
Non-current portion . . . . .	<u>1,453</u>	<u>2,842</u>	<u>4,956</u>	<u>5,262</u>

## 36. SHARE CAPITAL

### Shares

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Issued and fully paid: . . . . .	<u>5,470</u>	<u>5,470</u>	<u>5,470</u>	<u>5,470</u>

## 37. SHARE-BASED PAYMENT

The Company implemented share incentive plans for the Group's management and employees in order to recognize and reward their contribution for the growth and development of the Group, and retain eligible employees for the continuous operation and development of the Group.

### (a) Wuhu Ruichuang Platform

Wuhu Ruichuang Investment Co., Ltd.\* (蕪湖瑞創投資股份有限公司, "Ruichuang"), was established in PRC in December 2004, as the Company's incentive platform for management and key technical personnel, which holds equity interests in the Company. Under the incentive plan ("legacy incentive plan"), shares of Ruichuang were granted to certain employees of the Group, which is non-transferrable and is required to sell back to Ruichuang when the participants leave the Group, retire, etc, at a price which is not linked to the fair value of the Company, and the participants are not entitled to the changes in value of the Company's shares, the Group considered the legacy incentive plan is an employee profit-sharing plan.

Under the legacy incentive plan, the relevant employee benefit expenses were recognized in the consolidated statements of profit or loss of the Group for the year end 31 December 2022 and 2023, respectively, which is credited to other reserves in the consolidated statement of changes in equity of the Group.

According to resolution of the Shareholders' Meeting of Ruichuang on 27 January, 2024 ("grant date"), the restriction of non-transferrable of the shares and the requirements of sales back to Ruichuang is removed, to provide additional incentives to the participants. And to ensure the stability of Group's top management, certain top management of the Company need to meet a three-years' service period requirement since grant date. As such, the share-based compensation expenses are amortized during the vesting period for the top managements with service period requirement, and for others, the share-based compensation expenses are recognized at grant date, as no service condition requirements attached.

The fair value of share-based compensations is measured by reference to the fair value of the shares less the costs borne by the participants. The fair value of the shares on grant date is determined by an external valuer using an adjusted form of the Black Scholes Model which takes into account the terms and conditions upon which the shares were granted.

Share-based payment expenses of RMB1,663 million and RMB22 million under Ruichang platform scheme were recognized in the consolidated statements of profit or loss of the Group for the year ended 31 December 2024 and the three months ended 31 March 2025.

**(b) Zhenrui and Hengrui platforms**

Wuhu Hengrui Equity Investment Partnership (Limited Partnership)\* (蕪湖衡瑞股權投資合夥企業(有限合夥)), "Hengrui", and Wuhu Zhenrui Equity Investment Partnership (Limited Partnership)\* (蕪湖振瑞股權投資合夥企業(有限合夥)), "Zhenrui") were established in PRC on February 26, 2024, as the Company's incentive platform.

In March, 2024, for the purpose of employee incentives, the Company repurchased all of the Company's shares directly held by Ruichuang, representing a total of 6.74% equity interest of the Company, at nil consideration. The Company further transferred all such repurchased shares to Hengrui and Zhenrui. Each of Hengrui and Zhenrui subscribed for 3.37% equity interest of the Company at a consideration of RMB626,595,500.

In March 2024, via the above two incentive platforms, 351,104,500 of share awards were granted to the eligible participants with subscription price of RMB3.40 per share. In February 2025, the Company further granted 25,264,900 shares to the eligible participants with subscription price of RMB4.39 per share. Each grant of share awards needs to meet a service requirement from the date of grant to the later of (1) six years since the grant date (the "Service Period") and (2) the successful listing of the Company. After taking into consideration of the best estimation of the listing date, the management determined the vesting period of the relevant restricted shares based on the above service requirement. As such, the share-based payment expenses are amortized during the vesting period.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the subscription price. The fair value of the share award granted is measured as the market value at the grant date, determined by an external valuer using the discounted cash flows method which takes into account the terms and conditions upon which the restricted shares were granted.

Set out below are details of the movements of the outstanding restricted shares granted via Hengrui and Zhenrui for the year ended 31 December 2024 and the three months ended 31 March 2025.

	As at 31 December	As at 31 March
	2024	2025
Number of shares		
At the beginning of the year/period . . . . .	—	343,712,700
Granted during the year/period . . . . .	351,104,500	25,264,900
Forfeited during the year/period . . . . .	(7,391,800)	(2,463,600)
Exercised during the year/period . . . . .	—	—
Expired during the year/period . . . . .	—	—
At the end of the year/period . . . . .	<u>343,712,700</u>	<u>366,514,000</u>

During the year ended 31 December 2024 and the three months ended 31 March 2025, share-based compensation expenses of RMB353 million and RMB109 million under Zhenrui and Hengrui platform scheme were recognized in the consolidated statements of profit or loss.

\* The English names of the PRC companies above represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.



**38. RESERVES****The Group**

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity in the Historical Financial Information.

**(a) Other reserves**

The other reserve comprises (i) the difference between proceeds from issuance of the company's shares and nominal value of the shares; (ii) the difference between cost of acquisition of minority interest of the Group's subsidiaries and the book value of net assets acquired; (iii) the difference between cost of acquisition of subsidiaries under common control and the book value of the net assets acquired; and (iv) deemed contribution from shareholders. In 2024, Wuhu Ruichuang Investment Co., Ltd., a shareholder of the Company, transferred its equity interests in 4 entities, including its 6.74% equity interest in the Company, to the Company at nil consideration. The impacts of the transfers were credited to other reserves accordingly. For details on transfer of 6.74% equity interest of the Company, refer to note 37.

**(b) Surplus reserves**

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the surplus reserves until the cumulative total of the reserve reaches 50% of the companies registered capital. Subject to approval from the relevant PRC authorities, the surplus reserves may be used to offset any accumulated losses or increase the registered capital of the companies. The surplus reserves is not available for dividend distribution to equity holders of the PRC companies.

**The Company**

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

**Year ended 31 December 2022**

	Share capital	Other comprehensive income	Other reserves	Surplus reserves	Accumulated loss	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2022 . . . . .	5,470	(3)	16,123	519	(14,033)	8,076
Profit for the year . . . . .	—	—	—	—	3,780	3,780
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	—	26	—	—	—	26
Share of other comprehensive income of joint ventures and associates . . . . .	—	(2)	—	—	—	(2)
Total comprehensive income for the year . . . . .	—	24	—	—	3,780	3,804
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . . . . .	—	(36)	—	—	36	—
Business combination under common control . . . . .	—	—	(2,128)	—	—	(2,128)
Deemed contribution from one shareholder . . . . .	—	—	136	—	—	136
Others . . . . .	—	—	760	—	—	760
At 31 December 2022 . . . . .	5,470	(15)	14,891	519	(10,217)	10,648

## Year ended 31 December 2023

	Share capital	Other comprehensive income	Other reserves	Surplus reserves	(Accumulated loss)/retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2023 . . . . .	5,470	(15)	14,891	519	(10,217)	10,648
Profit for the year . . . . .	—	—	—	—	12,382	12,382
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	—	(10)	—	—	—	(10)
Share of other comprehensive income of joint ventures and associates . . . . .	—	(8)	—	—	—	(8)
Total comprehensive income for the year . . . . .	—	(18)	—	—	12,382	12,364
Business combination under common control . . . . .	—	—	(2,609)	—	—	(2,609)
Deemed contribution from one shareholder . . . . .	—	—	118	—	—	118
Share of other reserves of joint ventures and associates . . . . .	—	—	18	—	—	18
Dividend declared . . . . .	—	—	—	—	(1,094)	(1,094)
At 31 December 2023 . . . . .	<u>5,470</u>	<u>(33)</u>	<u>12,418</u>	<u>519</u>	<u>1,071</u>	<u>19,445</u>

## Year ended 31 December 2024

	Share capital	Other comprehensive income	Share-based compensation	Other reserves	Surplus reserves	Retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2024 . . . . .	5,470	(33)	—	12,418	519	1,071	19,445
Profit for the year . . . . .	—	—	—	—	—	18,568	18,568
Other comprehensive income for the year: . . . .							
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	—	52	—	—	—	—	52
Share of other comprehensive income of joint ventures and associates . . . . .	—	(14)	—	—	—	—	(14)

# APPENDIX I

# ACCOUNTANTS' REPORT

	Share capital	Other comprehensive income	Share-based compensation	Other reserves	Surplus reserves	Retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
Total comprehensive income for the year . . . . .	–	38	–	–	–	18,568	18,606
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income . .	–	(30)	–	–	–	30	–
Business combination under common control . . . . .	–	–	–	(5,949)	–	–	(5,949)
Share-based compensation . .	–	–	1,756	–	–	–	1,756
Deemed contribution from one shareholder . . . . .	–	–	–	1,809	–	–	1,809
Share of other reserves of joint ventures and associates . . . . .	–	–	–	46	–	–	46
Transfer from retained profits . . . . .	–	–	–	–	2,073	(2,073)	–
Deemed contribution from a subsidiary . . . . .	–	–	–	84	–	–	84
At 31 December 2024 . . . . .	<u>5,470</u>	<u>(25)</u>	<u>1,756</u>	<u>8,408</u>	<u>2,592</u>	<u>17,596</u>	<u>35,797</u>

## Three months ended 31 March 2025

	Share capital	Other comprehensive income	Share-based compensation	Other reserves	Surplus reserves	Retained earnings	Total
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 1 January 2025 . . . . .	5,470	(25)	1,756	8,408	2,592	17,596	35,797
Profit for the period . . . . .	–	–	–	–	–	4,876	4,876
Other comprehensive income for the period:							
Change in fair value of equity investments at fair value through other comprehensive income, net of tax . . . . .	–	(11)	–	–	–	–	(11)
Share of other comprehensive income of joint ventures and associates . . . . .	–	2	–	–	–	–	2
Total comprehensive income for the period . . . . .	–	(9)	–	–	–	4,876	4,867
Share-based compensation . .	–	–	99	–	–	–	99
Transfer to safety production reserve . . . . .	–	–	–	12	–	(12)	–
Dividend declared . . . . .	–	–	–	–	–	(3,993)	(3,993)
At 31 March 2025 . . . . .	<u>5,470</u>	<u>(34)</u>	<u>1,855</u>	<u>8,420</u>	<u>2,592</u>	<u>18,467</u>	<u>36,770</u>

## 39. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
Percentage of equity interest held by non-controlling interests:				
Chery New Energy Automobile Co., Ltd. . . . .	59%	52%	52%	52%
Fuzhou Qingkou Holdings Co., Ltd. 福州青口控股有限公司 . . . . .	—	—	30%	30%
Profit/(loss) for the year/period allocated to non-controlling interests:				
Chery New Energy Automobile Co., Ltd. . . . .	(335)	(1,238)	(312)	(219)
Fuzhou Qingkou Holdings Co., Ltd..	—	—	521	260
Accumulated (deficits)/balances of non-controlling interests:				
Chery New Energy Automobile Co., Ltd. . . . .	(359)	(889)	(1,162)	(1,381)
Fuzhou Qingkou Holdings Co., Ltd..	—	—	895	1,173

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Chery New Energy Automobile Co., Ltd.
	<i>RMB million</i>
31 December 2022	
Revenue . . . . .	12,831
Total cost & expense . . . . .	(13,397)
Loss for the year . . . . .	(566)
Total comprehensive income for the year . . . . .	(566)
Current assets . . . . .	11,065
Non-current assets . . . . .	1,422
Current liabilities . . . . .	(10,735)
Non-current liabilities . . . . .	(2,408)
Net cash flows used in operating activities. . . . .	(1,250)
Net cash flows used in investing activities . . . . .	(3,252)
Net cash flows generated from financing activities. . . . .	2,626
Net decrease in cash and cash equivalents . . . . .	(1,876)

Chery New Energy  
Automobile Co., Ltd.

RMB million

31 December 2023	
Revenue . . . . .	5,883
Total cost & expense . . . . .	(8,020)
Loss for the year . . . . .	(2,137)
Total comprehensive income for the year . . . . .	(2,126)
Current assets . . . . .	6,169
Non-current assets . . . . .	2,332
Current liabilities . . . . .	(8,826)
Non-current liabilities . . . . .	(2,408)
Net cash flows used in operating activities . . . . .	(2,570)
Net cash flows generated from investing activities . . . . .	3,578
Net cash flows used in financing activities . . . . .	(508)
Net increase in cash and cash equivalents . . . . .	500

Chery New  
Energy Automobile  
Co., Ltd.

RMB million

Fuzhou  
Qingkou Holdings  
Co., Ltd.

RMB million

31 December 2024		
Revenue . . . . .	11,097	26,079
Total cost & expense . . . . .	(11,699)	(24,342)
(Loss)/profit for the year . . . . .	(602)	1,737
Total comprehensive income for the year . . . . .	(602)	1,737
Current assets . . . . .	4,766	14,079
Non-current assets . . . . .	2,347	2,888
Current liabilities . . . . .	(9,268)	(12,498)
Non-current liabilities . . . . .	(1,085)	(1,487)
Net cash flows generated from operating activities . . . . .	2,449	891
Net cash flows used in investing activities . . . . .	(54)	(657)
Net cash flows used in financing activities . . . . .	(2,127)	(342)
Net increase/(decrease) in cash and cash equivalents . . . . .	268	(108)
31 March 2025		
Revenue . . . . .	2,940	6,826
Total cost & expense . . . . .	(3,363)	(5,960)
(Loss)/profit for the period . . . . .	(423)	866
Total comprehensive income for the period . . . . .	(423)	866
Current assets . . . . .	3,621	15,526
Non-current assets . . . . .	2,212	2,912
Current liabilities . . . . .	(8,465)	(12,766)
Non-current liabilities . . . . .	(1,031)	(1,762)
Net cash flows (used in)/generated from operating activities . . . . .	(265)	289
Net cash flows used in investing activities . . . . .	(46)	(349)
Net cash flows used in financing activities . . . . .	(684)	—
Net decrease in cash and cash equivalents . . . . .	(995)	(60)

**40. BUSINESS COMBINATION****(a) Wuhu Chery Technology Co., Ltd.**

On 15 June 2022, the Group acquired a 51% interest in Wuhu Chery Technology Co., Ltd. from Chery Holding, which is a business combination under common control. Wuhu Chery Technology Co., Ltd. is engaged in manufacturing and sales of automotive parts and components. The acquisition was made as part of the Group's development strategy. The purchase consideration of RMB3,862 million was settled against the outstanding receivables due from Chery Holding.

The book values of the assets and liabilities of Wuhu Chery Technology Co., Ltd. in the consolidated financial statements of Chery Holding as at the date of acquisition were as follows:

	<b>Book value on acquisition</b>
	<i>RMB million</i>
Property, plant and equipment . . . . .	356
Other intangible assets . . . . .	382
Investments in associates . . . . .	1,911
Financial assets at fair value through other comprehensive income . . . . .	175
Financial assets at fair value through profit or loss . . . . .	288
Deferred tax assets . . . . .	47
Inventories . . . . .	214
Trade receivables . . . . .	1,151
Bills receivables . . . . .	101
Prepayments and other receivables . . . . .	1,330
Cash and bank balances . . . . .	1,028
Trade and bills payables . . . . .	(2,103)
Other payables and accruals . . . . .	(79)
Interest-bearing bank loans . . . . .	(464)
Tax payable . . . . .	(35)
Contract liabilities . . . . .	(97)
Deferred tax liabilities . . . . .	(107)
Provision . . . . .	(23)
Total net assets at book value . . . . .	4,075
Non-controlling interests . . . . .	(352)
Recognised in other reserves . . . . .	139
Considerations . . . . .	3,862

**(b) Wuhu Acteco Powertrain Co., Ltd.**

On 31 December 2023, the Group acquired a 51% interest in Wuhu Acteco Powertrain Co., Ltd. from Chery Holding, which is a business combination under common control. Wuhu Acteco Powertrain Co., Ltd. is engaged in manufacturing and sales of automotive parts and components. The acquisition was made as part of the Group's development strategy. The purchase consideration for the acquisition was in the form of cash, with RMB3,344 million paid in 2023.

The book values of the assets and liabilities of Wuhu Acteco Powertrain Co., Ltd. in the consolidated financial statements of Chery Holding as at the date of acquisition were as follows:

	<b>Book value on acquisition</b>
	<i>RMB million</i>
Property, plant and equipment . . . . .	1,242
Right-of-use assets . . . . .	50
Other intangible assets . . . . .	167
Deferred tax assets . . . . .	243
Inventories . . . . .	385
Trade receivables . . . . .	4,398
Bills receivables . . . . .	430
Prepayments and other receivables . . . . .	1,492
Financial assets at fair value through other comprehensive income . . . . .	1
Cash and bank balances . . . . .	31
Trade and bills payables . . . . .	(5,438)
Other payables and accruals . . . . .	(383)
Tax payable . . . . .	(6)
Contract liabilities . . . . .	(4)
Interest-bearing bank loans . . . . .	(80)
Lease liabilities . . . . .	(161)
Deferred income . . . . .	(10)
Total net assets at book value . . . . .	2,357
Non-controlling interests . . . . .	(149)
Recognised in other reserves . . . . .	1,136
Considerations . . . . .	3,344

**(c) Rejoin (Anhui) Supply Chain Technology Co., Ltd**

On 31 December 2023, the Group acquired a 100% interest in Rejoin (Anhui) Supply Chain Technology Co., Ltd. from Chery Holding, which is a business combination under common control. Rejoin (Anhui) Supply Chain Technology Co., Ltd. is engaged in the supply chain management. The acquisition was made as part of the Group's development strategy. The purchase consideration for the acquisition was in the form of cash, with RMB550 million paid in 2023.

The book values of the assets and liabilities of Rejoin (Anhui) Supply Chain Technology Co., Ltd. in the consolidated financial statements of Chery Holding as at the date of acquisition were as follows:

	<b>Book value on acquisition</b>
	<i>RMB million</i>
Property, plant and equipment . . . . .	1
Right-of-use assets . . . . .	2
Deferred tax assets . . . . .	13
Inventories . . . . .	28
Trade receivables . . . . .	786
Bills receivables . . . . .	99
Prepayments and other receivables . . . . .	200
Financial assets at fair value through other comprehensive income . . . . .	4
Cash and bank balances . . . . .	732
Trade and bills payables . . . . .	(1,093)
Other payables and accruals . . . . .	(446)
Tax payable . . . . .	(37)
Contract liabilities . . . . .	(173)
Lease liabilities . . . . .	(1)
Total net assets at book value . . . . .	115
Recognised in other reserves . . . . .	435
Consideration . . . . .	550

**(d) Jetour business**

On 1 January 2024, the Group acquired Jetour business from Chery Commercial Vehicle (Anhui) Co., Ltd., a subsidiary of Chery Holding, which is a business combination under common control, including acquisition of a 100% interest in Wuhu Jetour Automobile Sales Co., Ltd., acquisition of a 85% interest in Wuhu Ruiqing Enterprise Management Co., Ltd., acquisition of certain assets and assumed certain liabilities related to Jetour business. The acquisition was made as part of the Group's development strategy. The purchase consideration of RMB7,320 million for the acquisition was in the form of cash, with RMB7,003 million paid in 2023, and the remaining RMB317 million paid in January 2025.

The book values of the acquired the assets and liabilities of Jetour business in the consolidated financial statements of Chery Holding as at the date of acquisition were as follows:

	<b>Book value on acquisition</b>
	<i>RMB million</i>
Property, plant and equipment . . . . .	816
Right-of-use assets . . . . .	217
Other intangible assets . . . . .	124
Deferred tax assets . . . . .	579
Inventories . . . . .	4,624
Trade receivables . . . . .	1,125
Bills receivables . . . . .	4,521
Contract assets . . . . .	12
Prepayments and other receivables . . . . .	14,162
Financial assets at fair value through other comprehensive income . . . . .	3,192
Cash and bank balances . . . . .	122
Trade and bills payables . . . . .	(18,689)
Contract liabilities . . . . .	(6,996)
Other payables and accruals . . . . .	(1,458)
Tax payable . . . . .	(465)
Provision . . . . .	(486)
Interest-bearing bank loans . . . . .	(319)
Lease liabilities . . . . .	(157)
Deferred tax liabilities . . . . .	(1)
Deferred income . . . . .	(16)
Total net assets at book value . . . . .	<u>907</u>
Recognised in other reserves . . . . .	<u>6,413</u>
Consideration satisfied by cash . . . . .	<u><u>7,320</u></u>

**(e) Fuzhou Qingkou Holdings Co., Ltd.**

On 18 February 2024, the Group acquired a 100% interest in Fuzhou Qingkou Holdings Co., Ltd from Fuzhou Zuohai Holding Group Ltd., Co., a third party. Fuzhou Qingkou Holdings Co., Ltd holds 70% interest is Soueast Motor Corporation Ltd., which is engaged in the production and sales of passenger vehicles. The acquisition was made as part of the Group's development strategy. The purchase consideration for the acquisition was in the form of cash, with RMB927 million paid in 2024.



The fair values of the acquired identifiable assets and liabilities of Fuzhou Qingkou Holdings Co., Ltd. as at the date of acquisition were as follows:

	Fair value recognised on acquisition
	<i>RMB million</i>
Property, plant and equipment . . . . .	1,319
Right-of-use assets . . . . .	359
Other intangible assets . . . . .	26
Deferred tax assets . . . . .	526
Inventories . . . . .	492
Trade receivables . . . . .	4,917
Bills receivables . . . . .	47
Prepayments and other receivables . . . . .	1,027
Financial assets at fair value through other comprehensive income . . . . .	5
Cash and bank balances . . . . .	127
Interest-bearing bank loans . . . . .	(379)
Contract liabilities . . . . .	(27)
Trade and bills payables . . . . .	(5,596)
Other payables and accruals . . . . .	(1,303)
Tax payable . . . . .	(6)
Lease liabilities . . . . .	(22)
Deferred tax liabilities . . . . .	(138)
Provision . . . . .	(39)
Total identifiable net assets at fair value . . . . .	1,335
Non-controlling interests . . . . .	(400)
Recognised in other income and gains . . . . .	(8)
Consideration satisfied by cash . . . . .	927

An analysis of the cash flows in respect of the acquisition of Fuzhou Qingkou Holdings Co., Ltd is as follows:

	<i>RMB million</i>
Cash consideration paid . . . . .	(927)
Cash and bank balances acquired . . . . .	127
Total net cash outflow . . . . .	(800)

Since the acquisition, Fuzhou Qingkou Holdings Co., Ltd contributed RMB26,079 million to the Group's revenue and RMB1,737 million to the consolidated profit for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year ended 31 December 2024 would have been RMB272,261 million and RMB14,509 million, respectively.

#### 41. TRANSFERS OF FINANCIAL ASSETS

##### Transferred financial assets that are not derecognised in their entirety

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group endorsed certain bills receivables accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB4,401 million, RMB5,488 million, RMB292 million and RMB1,684 million to certain of its suppliers, respectively, in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills to which the suppliers have recourse was RMB4,401 million, RMB5,488 million, RMB292 million and RMB1,684 million, as at 31 December 2022, 2023, 2024 and 31 March 2025, respectively.

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group discounted certain bills receivables accepted by banks in Mainland China (the “Discounted Bills”) with carrying amounts of RMB617 million, RMB61 million, RMB43 million and nil, respectively (the “Discounting”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills, and accordingly, it continued to recognize the full carrying amounts of the Discounted Bills and the associated bank borrowings. Subsequent to the Discounting, the Group did not retain any rights on the use of the Discounted Bills, including the sale, transfer or pledge of the Discounted Bills to any other third parties. The aggregate amounts of the Discounted Bills to which the banks have recourse were RMB617 million, RMB61 million and RMB43 million and nil as at 31 December 2022, 2023, 2024 and 31 March 2025, respectively.

**Transferred financial assets that are derecognised in their entirety**

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group endorsed certain bills receivables accepted by banks in Mainland China (the “Derecognised Bills”) to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB13,110 million, RMB23,081 million, RMB83,721 million and RMB30,554 million, respectively, and discounted certain bills receivables accepted by banks in Mainland China (the “Derecognised Bills”) with a carrying amount in aggregate of RMB3,640 million, RMB559 million, RMB6,971 million and RMB471 million, respectively. The Derecognised Bills had a maturity of one to six months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2025, the Group has recognized losses of RMB111 million, RMB57 million, RMB68 million and nil, respectively, on the date of transfer of the Derecognized Bills.

**42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**(a) Major non-cash transactions**

- (1) For the year ended 31 December 2022, 2023, 2024, and for the three months ended 31 March 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB72 million and RMB72 million, RMB387 million and RMB387 million, RMB1,918 million and RMB1,918 million, RMB1,589 million (unaudited) and RMB1,589 million (unaudited), and RMB6 million and RMB6 million respectively, in respect of lease arrangements for buildings, machinery and vehicles.
- (2) As disclosed in note 40(a) to the Historical Financial Information, for the year ended 31 December 2022, the considerations for certain acquisition of a subsidiary was not settled in cash.
- (3) For the year ended 31 December 2023, the Group had non-cash additions to property, plant and equipment and other payables and accruals of RMB1,158 million and RMB1,158 million in respect of installment payment for buildings.

## (b) Changes in liabilities arising from financing activities

As at 31 December 2022

	Bank loans and other borrowings	Lease liabilities	Bonds payables	Other payables and accruals
	RMB million	RMB million	RMB million	RMB million
At 1 January 2022 . . . . .	34,499	223	698	1,677
Changes from financing cash flows . . . .	(2,662)	(85)	(2)	1,806
New leases . . . . .	–	72	–	–
Interest expense . . . . .	1,243	9	–	153
Early cancellation of leases . . . . .	–	(8)	–	–
Effect of foreign exchange changes . . . .	43	–	–	–
At 31 December 2022 . . . . .	<u>33,123</u>	<u>211</u>	<u>696</u>	<u>3,636</u>

As at 31 December 2023

	Bank loans and other borrowings	Lease liabilities	Bonds payables	Other payables and accruals
	RMB million	RMB million	RMB million	RMB million
At 1 January 2023 . . . . .	33,123	211	696	3,636
Changes from financing cash flows . . . .	4,666	(94)	(696)	965
New leases . . . . .	–	387	–	–
Addition of property, plant and equipment through installment payment . . . . .	–	–	–	1,158
Interest expense . . . . .	1,375	21	–	221
Early cancellation of leases . . . . .	–	(1)	–	–
Disposal of subsidiaries . . . . .	(1)	–	–	–
Effect of foreign exchange changes . . . .	(655)	(3)	–	–
At 31 December 2023 . . . . .	<u>38,508</u>	<u>521</u>	<u>–</u>	<u>5,980</u>

As at 31 December 2024

	Bank loans and other borrowings	Lease liabilities	Other payables and accruals
	RMB million	RMB million	RMB million
At 1 January 2024. . . . .	38,508	521	5,980
Changes from financing cash flows . . . . .	(15,866)	(199)	1,071
Acquisition of subsidiaries . . . . .	379	22	835
New leases . . . . .	–	1,918	–
Discounted amounts arising from other payables and accruals . . . . .	–	–	(290)
Interest expense . . . . .	1,919	101	290
Transfer to deferred income . . . . .	–	–	(3,727)
Early cancellation of leases . . . . .	–	(10)	–
Disposal of subsidiaries . . . . .	(20)	(23)	–
Effect of foreign exchange changes . . . . .	(1,754)	(11)	–
At 31 December 2024 . . . . .	<u>23,166</u>	<u>2,319</u>	<u>4,159</u>

As at 31 March 2025

	Bank loans and other borrowings	Lease liabilities	Other payables and accruals
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
At 1 January 2025. . . . .	23,166	2,319	4,159
Changes from financing cash flows . . . . .	(4,072)	(27)	202
New leases . . . . .	–	6	–
Discounted amounts arising from other payables and accruals . . . . .	–	–	(43)
Interest expense . . . . .	787	25	60
Disposal of subsidiaries . . . . .	(276)	(15)	–
Early cancellation of leases . . . . .	–	(3)	–
Effect of foreign exchange changes . . . . .	2,025	(19)	–
At 31 March 2025. . . . .	<u>21,630</u>	<u>2,286</u>	<u>4,378</u>

**(c) Total cash outflow for leases**

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 December			Three months ended 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Within operating activities. . . . .	76	108	151	43
Within financing activities. . . . .	85	94	199	27
Total . . . . .	<u>161</u>	<u>202</u>	<u>350</u>	<u>70</u>

**43. CONTINGENT LIABILITIES**

As of the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

**44. PLEDGE OF ASSETS**

Details of the Group's assets pledged for the Group's bank borrowings are included in notes 13, 14, 15, 21, 23 and 26, respectively, to the Historical Financial Information.

**45. COMMITMENTS**

- (a) The Group had the following contractual commitments as at 31 December 2022, 2023, 2024 and 31 March 2025:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Contracted, but not provided for:				
Property, plant and equipment . . .	1,896	3,435	2,519	2,462
Investment . . . . .	–	317	–	–

## 46. RELATED PARTY TRANSACTIONS

- (a) The Group had the following transactions with related parties during the Relevant Periods and the three months ended 31 March 2024:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Associates and its subsidiaries:					
Sales of products . . . . .	345	751	438	93	179
Sales of property, plant and equipment . . . . .	2	—	—	—	—
Purchases of products . . . . .	8,106	12,621	16,729	3,192	4,529
Purchases of property, plant and equipment . . . . .	93	325	379	120	145
Rendering of services . . . . .	10	14	34	—	13
Receipt of service . . . . .	7	3	3	3	2
Lease expense . . . . .	10	10	10	3	—
Joint ventures and its subsidiaries:					
Sales of products . . . . .	2,738	2,520	3,314	637	1,404
Purchases of products . . . . .	35	—	12	—	71
Placement of time deposits . . . . .	—	—	5,400	2,000	—
Maturity of time deposits . . . . .	—	—	—	—	(2,000)
Interest income . . . . .	—	—	81	4	22
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates:					
Sales of products . . . . .	1,302	1,907	2,883	1,242	109
Sales of property, plant and equipment . . . . .	12	62	8	—	1
Purchases of products . . . . .	3,560	3,965	3,949	1,012	741
Purchases of property, plant and equipment . . . . .	61	168	32	21	5
Lease expense . . . . .	25	20	18	9	4
Rendering of service . . . . .	18	19	63	3	58
Receipt of service . . . . .	17	3	17	—	162
Acquisition of subsidiaries . . . . .	3,862	4,050	7,320	7,320	—
Disposal of subsidiaries . . . . .	11	7	—	—	—
Luxshare Limited and its subsidiaries:					
Purchases of products . . . . .	32	161	2,134	187	513
Purchases of property, plant and equipment . . . . .	—	—	3	—	—
Sales of products . . . . .	—	—	—	—	2
Wuhu Investment Holding and its subsidiaries:					
Purchases of products . . . . .	1,740	2,530	3,799	694	952
Purchases of property, plant and equipment . . . . .	19	35	32	5	12
Sales of products . . . . .	5	109	157	11	62
Ruichuang and its subsidiaries:					
Lease expense . . . . .	5	6	4	1	—

*Note:*

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

## (b) Other transactions with related parties:

- (i) As at 31 December 2022, 2023, 2024 and 31 March 2025, the outstanding balances of borrowings of the Group guaranteed by the Chery Holding Limited and its subsidiaries amounted to RMB4,799 million, RMB2,175 million, nil and nil, respectively.
- (ii) As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group provided guarantee to an associate of the Group for its bank borrowing amounting to RMB67 million, RMB227 million, RMB197 million and RMB194 million, respectively.

## (c) Compensation of key management personnel of the Group:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i>	<i>RMB thousand</i> <i>(unaudited)</i>	<i>RMB thousand</i>
Fee . . . . .	952	924	834	231	191
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans).	53,654	54,139	59,627	20,430	27,519
Share-based compensation expenses . . . . .	—	—	83,361	14,989	22,371
Total compensation paid to key management personnel . . . . .	<u>54,606</u>	<u>55,063</u>	<u>143,822</u>	<u>35,650</u>	<u>50,081</u>

Further details of directors' and the supervisors' emoluments are included in note 8 to the Historical Financial Information.

The outstanding balances with related parties are included in notes 14(b), 19, 22, 26, 27, 28, 32 to the Historical Financial Information.

**47. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial instruments as at 31 December 2022, 2023, 2024 and 31 March 2025 are as follows:

As at 31 December 2022

Financial assets

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such		Debt investments	Equity investments		
	<i>RMB million</i>		<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	—	349	—	349
Trade receivables . . . . .	—	—	—	—	9,521	9,521
Bills receivables . . . . .	—	—	—	—	6,167	6,167
Financial assets included in prepayments, other receivables and other assets . .	—	—	—	—	22,960	22,960
Financial assets at fair value through profit or loss . . . . .	13,931	—	—	—	—	13,931

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments	Equity investments		
	RMB million	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through other comprehensive income . . . . .	–	2,359	–	–	2,359
Derivative financial instruments . . . . .	241	–	–	–	241
Time deposits . . . . .	–	–	–	5,360	5,360
Restricted bank deposits . . . . .	–	–	–	932	932
Cash and cash equivalents . . . . .	–	–	–	12,686	12,686
Total . . . . .	14,172	2,359	349	57,626	74,506

#### Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Held for trading		
	RMB million	RMB million	RMB million
Trade and bills payables . . . . .	–	51,708	51,708
Financial liabilities included in other payables and accruals . . . . .	–	12,645	12,645
Derivative financial instruments . . . . .	3	–	3
Interest-bearing bank loans and other borrowings . . . . .	–	33,123	33,123
Bonds payables . . . . .	–	696	696
Total . . . . .	3	98,172	98,175

As at 31 December 2023

#### Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments	Equity investments		
	RMB million	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	–	–	323	–	323
Trade receivables . . . . .	–	–	–	11,268	11,268
Bills receivables . . . . .	–	–	–	10,805	10,805
Financial assets included in prepayments, other receivables and other assets . . . . .	–	–	–	16,903	16,903
Financial assets at fair value through profit or loss . . . . .	12,006	–	–	–	12,006
Financial assets at fair value through other comprehensive income . . . . .	–	4,433	–	–	4,433

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments	Equity investments		
	RMB million	RMB million	RMB million	RMB million	RMB million
Derivative financial instruments . . . . .	31	—	—	—	31
Time deposits . . . . .	—	—	—	4,998	4,998
Restricted bank deposits . . . . .	—	—	—	587	587
Cash and cash equivalents . . . . .	—	—	—	35,048	35,048
Total . . . . .	<u>12,037</u>	<u>4,433</u>	<u>323</u>	<u>79,609</u>	<u>96,402</u>

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	Held for trading		
	RMB million	RMB million	RMB million
Trade and bills payables . . . . .	—	74,408	74,408
Financial liabilities included in other payables and accruals . . . . .	—	19,251	19,251
Derivative financial instruments . . . . .	86	—	86
Interest-bearing bank loans and other borrowings . . . . .	—	38,508	38,508
Total . . . . .	<u>86</u>	<u>132,167</u>	<u>132,253</u>

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments	Equity investments		
	RMB million	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	313	—	313
Trade receivables . . . . .	—	—	—	17,423	17,423
Bills receivables . . . . .	—	—	—	774	774
Financial assets included in prepayments, other receivables and other assets . . . . .	—	—	—	1,915	1,915
Financial assets at fair value through profit or loss . . . . .	19,640	—	—	—	19,640
Financial assets at fair value through other comprehensive income . . . . .	—	7,547	—	—	7,547
Time deposits . . . . .	—	—	—	7,563	7,563
Restricted bank deposits . . . . .	—	—	—	75	75
Cash and cash equivalents . . . . .	—	—	—	62,693	62,693
Total . . . . .	<u>19,640</u>	<u>7,547</u>	<u>313</u>	<u>90,443</u>	<u>117,943</u>



Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB million</i>
Trade and bills payables . . . . .	101,496
Financial liabilities included in other payables and accruals . . . . .	20,396
Interest-bearing bank loans and other borrowings. . . . .	23,166
Total . . . . .	145,058

As at 31 March 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments	Equity investments		
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	282	—	282
Trade receivables. . . . .	—	—	—	21,270	21,270
Bills receivables . . . . .	—	—	—	330	330
Financial assets included in prepayments, other receivables and other assets . . . . .	—	—	—	2,154	2,154
Financial assets at fair value through profit or loss . . . . .	29,336	—	—	—	29,336
Financial assets at fair value through other comprehensive income. . . . .	—	1,802	—	—	1,802
Time deposits . . . . .	—	—	—	16,239	16,239
Restricted bank deposits . . . . .	—	—	—	2,303	2,303
Cash and cash equivalents . . . . .	—	—	—	37,498	37,498
Total . . . . .	29,336	1,802	282	79,794	111,214

Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB million</i>
Trade and bills payables . . . . .	102,403
Financial liabilities included in other payables and accruals . . . . .	19,152
Interest-bearing bank loans and other borrowings. . . . .	21,630
Total . . . . .	143,185

**48. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, the current portion of time deposit, trade and bill receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, the current portion of financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of each of the Relevant Periods, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the bills receivable classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivable will mature within one year, and thus their fair values approximate to their carrying values.

The Group invests in unlisted investments, which represent structured deposit, wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of structured deposit by using a discounted cash flow valuation approach, and estimated the fair value of wealth management products based on the valuation report released by the wealth management product manager where available and consider liquidity discount where applicable.

Derivative financial instruments, including forward currency contracts, interest rate swaps are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management applies valuation techniques mainly comprise discounted cash flow approach and market comparable company approach to determine fair value. The sensitivity of fair values has been assessed that changes in unobservable inputs which reflect reasonable alternative assumptions would not result in significant changes in fair values.

The fair values of the non-current portion of time deposits, interest-bearing bank borrowings, long-term receivable, debt investment and long-term payables included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

**Fair value hierarchy**

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	89	—	260	349
Bills receivables included in financial assets at fair value through other comprehensive income . . . . .	—	2,359	—	2,359
Financial assets at fair value through profit or loss . . . . .	106	13,792	33	13,931
Derivative financial instruments . . .	—	241	—	241
Total . . . . .	<u>195</u>	<u>16,392</u>	<u>293</u>	<u>16,880</u>

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	61	—	262	323
Bills receivables included in financial assets at fair value through other comprehensive income . . . . .	—	4,433	—	4,433
Financial assets at fair value through profit or loss . . . . .	—	11,961	45	12,006
Derivative financial instruments . . .	—	31	—	31
Total . . . . .	<u>61</u>	<u>16,425</u>	<u>307</u>	<u>16,793</u>

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	–	–	313	313
Bills receivables included in financial assets at fair value through other comprehensive income . . . . .	–	7,547	–	7,547
Financial assets at fair value through profit or loss . . . . .	–	19,579	61	19,640
Total . . . . .	–	27,126	374	27,500

As at 31 March 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB million	RMB million	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income . . . . .	–	–	282	282
Bills receivables included in financial assets at fair value through other comprehensive income . . . . .	–	1,802	–	1,802
Financial assets at fair value through profit or loss . . . . .	–	29,278	58	29,336
Total . . . . .	–	31,080	340	31,420

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB million	RMB million	RMB million	RMB million (unaudited)	RMB million
Equity investments at fair value through other comprehensive income					
At the beginning of the year/period . . . . .	243	260	262	262	313
Total gains recognised in other comprehensive income . . . . .	2	107	51	(3)	(31)
Purchases . . . . .	15	25	–	–	–
Disposals . . . . .	–	(130)	–	–	–
At the end of the year/period . . .	260	262	313	259	282

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> <i>(unaudited)</i>	<i>RMB million</i>
Financial assets at fair value through profit or loss . . . . .					
At the beginning of the year/period . . . . .	33	33	45	45	61
Total gains recognised in profit or loss . . . . .	—	2	1	2	(3)
Purchases . . . . .	—	10	15	—	—
At the end of the year/period . . .	<u>33</u>	<u>45</u>	<u>61</u>	<u>47</u>	<u>58</u>

Liabilities measured at fair value:

As at 31 December 2022

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Derivative financial instruments . . .	—	3	—	3

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Derivative financial instruments . . .	—	86	—	86

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

#### 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise bank loans, other interest-bearing loans and cash and deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. The directors review and agree policies for managing each of these risks and they are summarised below:

**(a) Interest rate risk**

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term interest-bearing bank borrowings with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As of 31 December 2022, 2023, 2024 and 31 March 2025, approximately 86%, 73%, 59% and 92% of the Group's interest-bearing borrowings bore interest at fixed rates.

If the interest rate of bank borrowings had increased/decreased in 10 basis points and all other variables were held constant, the profit before tax of the Group, through the impact on floating rate borrowings, would have decreased/increased by approximately RMB5 million, RMB10 million, RMB9 million and nil for the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2025, respectively.

**(b) Foreign currency risk**

The Group is exposed to transactional exchange rate risk. Such risks arise from transactions conducted by an operating entity in a currency other than its functional currency. To ensure the currency risk exposure of the Group is kept to an acceptable level and seeks to minimise the gap between assets and liabilities in the same currency. The Group has used the foreign currency forward contracts to manage foreign currency risk associated with foreign currency-denominated assets and liabilities.

The following table shows the sensitivity analysis of exchange rate risk, reflecting the impact of reasonable and possible changes in foreign currency exchange rate on profit before tax under the assumption that other variables remain unchanged:

	Increase/(decrease) in exchange rates	Increase/(decrease) in profit before tax
	%	RMB million
As at 31 December 2022		
If the USD strengthens against the RMB . . . . .	5	215
If the USD weakens against the RMB . . . . .	5	(215)
As at 31 December 2024. . . . .		
If the USD strengthens against the RMB . . . . .	5	100
If the USD weakens against the RMB . . . . .	5	(100)
If the RUB strengthens against the RMB . . . . .	5	463
If the RUB weakens against the RMB . . . . .	5	(463)
As at 31 March 2025		
If the USD strengthens against the RMB . . . . .	5	584
If the USD weakens against the RMB . . . . .	5	(584)
If the RUB strengthens against the RMB . . . . .	5	490
If the RUB weakens against the RMB . . . . .	5	(490)
If the EUR strengthens against the RMB . . . . .	5	181
If the EUR weakens against the RMB . . . . .	5	(181)

Due to the utilization of foreign currency forward contracts, as at 31 December 2023, the Group is not exposed to material foreign currency risks.

**(c) Credit risk**

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

As at 31 December 2022, 2023, 2024 and 31 March 2025, the Group had certain concentrations of credit risk as 18%, 24%, 30% and nil of the Group's trade receivables were due from the Group's largest customer, and 22%, 38%, 51% and 34% of the Group's trade receivables were due from the Group's five largest customers, respectively. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimize credit risk.

*Maximum exposure and year-end staging*

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB million	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through other comprehensive income . .	—	—	—	2,359	2,359
Contract assets . . . . .	—	—	—	1,187	1,187
Trade receivables* . . . . .	—	—	—	10,794	10,794
Bill receivables . . . . .	—	—	—	6,167	6,167
Financial assets included in prepayments, other receivables and other assets . . . . .					
– Normal** . . . . .	15,203	—	10,771	—	25,974
Time deposits . . . . .	5,360	—	—	—	5,360
Pledged deposits					
– Not yet past due . . . .	932	—	—	—	932
Cash and cash equivalents					
– Not yet past due . . . .	12,686	—	—	—	12,686
Total . . . . .	<u>34,181</u>	<u>—</u>	<u>10,771</u>	<u>20,507</u>	<u>65,459</u>

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB million	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through other comprehensive income . .	—	—	—	4,433	4,433
Contract assets . . . . .	—	—	—	455	455
Trade receivables* . . . . .	—	—	—	12,621	12,621
Bill receivables . . . . .	—	—	—	10,805	10,805
Financial assets included in prepayments, other receivables and other assets					
– Normal** . . . . .	4,403	—	15,412	—	19,815
Time deposits . . . . .	4,998	—	—	—	4,998
Pledged deposits					
– Not yet past due . . . .	587	—	—	—	587
Cash and cash equivalents					
– Not yet past due . . . .	35,048	—	—	—	35,048
Total . . . . .	<u>45,036</u>	<u>—</u>	<u>15,412</u>	<u>28,314</u>	<u>88,762</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB million	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through other comprehensive income	–	–	–	7,547	7,547
Trade receivables*	–	–	–	18,488	18,488
Bill receivables	–	–	–	774	774
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,157	–	1,771	–	3,928
Time deposits	7,563	–	–	–	7,563
Pledged deposits					
– Not yet past due	75	–	–	–	75
Cash and cash equivalents					
– Not yet past due	62,693	–	–	–	62,693
Total	<u>72,488</u>	<u>–</u>	<u>1,771</u>	<u>26,809</u>	<u>101,068</u>

As at 31 March 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB million	RMB million	RMB million	RMB million	RMB million
Financial assets at fair value through other comprehensive income	–	–	–	1,802	1,802
Trade receivables*	–	–	–	22,338	22,338
Bill receivables	–	–	–	330	330
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,373	–	1,770	–	4,143
Time deposits	16,239	–	–	–	16,239
Pledged deposits					
– Not yet past due	2,303	–	–	–	2,303
Cash and cash equivalents					
– Not yet past due	37,498	–	–	–	37,498
Total	<u>58,413</u>	<u>–</u>	<u>1,770</u>	<u>24,470</u>	<u>84,653</u>

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 22 to the Historical Financial Information.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 22 to the Historical Financial Information.



**(d) Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans, and other available sources of financing.

The maturity profile of the Group's financial liabilities as at the end of the each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

## Group

As at 31 December 2022					
	Within one year or on demand	In the second year	In the third to fifth year	Beyond five years	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
Lease liabilities . . . . .	46	46	142	–	234
Interest-bearing bank loans and other borrowings (excluding lease liabilities) . . . . .	19,327	12,536	2,094	–	33,957
Trade and bills payables . . . . .	51,708	–	–	–	51,708
Bonds payables . . . . .	91	655	–	–	746
Other payables and accruals . . . .	9,326	110	220	5,163	14,819
Total . . . . .	<u>80,498</u>	<u>13,347</u>	<u>2,456</u>	<u>5,163</u>	<u>101,464</u>

As at 31 December 2023					
	Within one year or on demand	In the second year	In the third to fifth year	Beyond five years	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
Lease liabilities . . . . .	154	154	185	92	585
Interest-bearing bank loans and other borrowings (excluding lease liabilities) . . . . .	34,832	3,755	3,216	31	41,834
Trade and bills payables . . . . .	74,408	–	–	–	74,408
Other payables and accruals . . . .	14,174	110	220	5,753	20,257
Total . . . . .	<u>123,568</u>	<u>4,019</u>	<u>3,621</u>	<u>5,876</u>	<u>137,084</u>

As at 31 December 2024					
	Within one year or on demand	In the second year	In the third to fifth year	Beyond five years	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
Lease liabilities . . . . .	517	355	620	1,514	3,006
Interest-bearing bank loans and other borrowings (excluding lease liabilities) . . . . .	21,062	1,760	2,548	63	25,433
Trade and bills payables . . . . .	101,496	–	–	–	101,496
Other payables and accruals . . . .	16,778	400	1,091	3,484	21,753
Total . . . . .	<u>139,853</u>	<u>2,515</u>	<u>4,259</u>	<u>5,061</u>	<u>151,688</u>

As at 31 March 2025

	Within one year or on demand	In the second year	In the third to fifth year	Beyond five years	Total
	RMB million	RMB million	RMB million	RMB million	RMB million
Lease liabilities . . . . .	593	272	572	1,483	2,920
Interest-bearing bank loans and other borrowings (excluding lease liabilities) . . . . .	16,835	2,909	3,833	193	23,770
Trade and bills payables . . . . .	102,403	–	–	–	102,403
Other payables and accruals . . . . .	14,249	1,268	1,275	3,936	20,728
Total . . . . .	<u>134,080</u>	<u>4,449</u>	<u>5,680</u>	<u>5,612</u>	<u>149,821</u>

**(e) Capital management**

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022, 2023, 2024 and the three months ended 31 March 2025.

The Group monitors capital using an asset-liability ratio, which is total liabilities divided by total assets. The asset-liability ratio as at the end of the reporting period was as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB million	RMB million	RMB million	RMB million
Total assets . . . . .	121,960	179,434	213,996	210,478
Total liabilities . . . . .	113,545	164,853	188,072	184,683
Asset-liability ratio . . . . .	<u>93%</u>	<u>92%</u>	<u>88%</u>	<u>88%</u>

**50. EVENTS AFTER THE RELEVANT PERIODS**

On 28 April 2025, JSC Chery Automobile RUS ("Chery RUS"), a wholly-owned subsidiary of the Group which primarily engaged in the sales of passenger vehicles in Russia, entered into agreements with three independent third-party companies in Russia. Pursuant to the agreements, Chery RUS agreed to transfer its inventories, related warranty obligations, and the local distribution network. Upon completion of the transaction, the Group was to recognize a disposal gain, primarily attributable to the disposal of its distributor network in Russia.

**51. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 March 2025.