奇瑞汽车
CHERY AUTO

奇瑞汽車股份有限公司
Chery Automobile Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 9973.HK

2025
ANNUAL REPORT

CONTENTS

Corporate Information	2
Chairman's Statement	4
Management Discussion and Analysis	8
Biographical Details of Directors, Supervisors and Senior Management	20
Corporate Governance Report	33
Report of the Directors	48
Report of the Supervisory Committee	60
Independent Auditor's Report	64
Consolidated Statement of Profit or Loss	69
Consolidated Statement of Comprehensive Income	70
Consolidated Statement of Financial Position	71
Consolidated Statement of Changes in Equity	73
Consolidated Statement of Cash Flows	75
Notes to Financial Statements	78
Four-Year Financial Summary	169
Definitions	170

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yin Tongyue *(Chairman and President)*
Mr. Zhang Guozhong

Non-Executive Directors

Ms. Wang Laichun
Ms. Li Jing
Mr. Wang Jinhua
Mr. Wang Xiaowei
Mr. Bao Siyu
Mr. Yin Xiangling
Mr. Hu Jingyuan

Independent Non-Executive Directors

Mr. Shang Wenjiang
Mr. Yang Mianzhi
Mr. Ye Shengji
Mr. Lu Feng
Mr. Yang Shanlin
Mr. Lai Ni Hium, Frank

SUPERVISORS

Mr. Wu Yunfei *(Chairman)*
Mr. Xu Hui
Mr. Cai Changfeng

RISK CONTROL AND AUDIT COMMITTEE

Mr. Lai Ni Hium, Frank *(Chairman)*
Mr. Shang Wenjiang
Mr. Yang Mianzhi
Mr. Yang Shanlin
Mr. Wang Jinhua
Mr. Hu Jingyuan
Mr. Bao Siyu

NOMINATION AND REMUNERATION COMMITTEE

Mr. Shang Wenjiang *(Chairman)*
Ms. Li Jing
Mr. Wang Xiaowei
Mr. Zhang Guozhong
Mr. Lu Feng
Mr. Ye Shengji
Mr. Yang Mianzhi

STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE

Mr. Yin Tongyue *(Chairman)*
Ms. Wang Laichun
Mr. Wang Jinhua
Mr. Zhang Guozhong
Mr. Yin Xiangling
Mr. Lai Ni Hium, Frank
Mr. Ye Shengji

JOINT COMPANY SECRETARIES

Ms. Zhan Ni
Ms. Yu Wing Sze *(ACG, HKACG)*

AUTHORIZED REPRESENTATIVES

Mr. Zhang Guozhong
Ms. Zhan Ni

REGISTERED OFFICE

No. 8, Changchun Road
Economic Technology and Development Area
Wuhu, Anhui
PRC

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Changchun Road
Economic Technology and Development Area
Wuhu, Anhui
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

H SHARE REGISTRAR

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

AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

As to Hong Kong laws:
DLA Piper
25th Floor, Three Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:
Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District, Beijing
PRC

COMPLIANCE ADVISOR

China International Capital Corporation
Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbor View Street
Central
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China, Wuhu Branch
Development Zone Sub-branch
40 Yinhu North Road
Jiujiang District
Wuhu, Anhui
PRC

COMPANY'S WEBSITE

www.chery-auto.com

STOCK CODE

9973

CHAIRMAN'S STATEMENT

Dear Shareholders:

I am pleased to present to the shareholders the Chairman's Statement of Chery Automobile Co., Ltd. for the year ended 31 December 2025.

The year 2025 marks the inaugural year in which Chery Automobile Co., Ltd. was officially listed on the Main Board of the Hong Kong Stock Exchange, becoming a publicly traded company and ushering in a new phase of globalization in the capital markets. It is also a pivotal year for the Company to transition into an innovation-driven, globally trusted participant in the green, low-carbon and intelligent mobility ecosystem, having dedicated 28 years to its core automotive business. In the face of a complex environment marked by profound shifts in the global industrial landscape and increasingly fierce competition in the automotive industry, the Company remains committed to its positioning as "Chery of Technology, Chery of the World, Chery for Customers, and Chery of Quality". Upholding a long-term development philosophy, we strive to repay the trust and support of all our shareholders through steady and high-quality growth.

1. INDUSTRY OVERVIEW AND ANALYSIS

In 2025, the global automotive industry entered a new phase characterized by the deep integration of electrification, intelligent technology, and globalization, with China's automotive industry continuing to lead the global automotive transformation.

China has ranked first globally in both production and sales for the seventeenth consecutive year in the automotive market. Chinese passenger vehicle brands have reached nearly 70% of domestic market share, marking the beginning of a new phase characterized by "technology leadership and brand upgrade". With accelerated adoption of advanced technologies such as smart driving and smart cockpits, the share of new energy vehicles in domestic sales continues to rise, and automotive exports have become a powerful growth engine for China's auto industry, with China firmly maintaining its position as the world's largest auto exporter. The "going global" of China's automotive industry has evolved from simply exporting products to establishing a comprehensive global ecosystem encompassing R&D, manufacturing, supply chains, branding, and services, thereby establishing a new image of Chinese automobiles as "safe, reliable, and premium" in the global market.

2. BUSINESS OVERVIEW

In 2025, Chery Automobile Co., Ltd. remained committed to its core business, focused on innovation, and expanded its global presence, achieving five historic breakthroughs in revenue, total sales, new energy vehicles, exports, and quality. In particular:

The Company recorded total operating revenue of RMB300,287 million, representing an increase of 11.3% year-over-year; net profit attributable to shareholders of RMB19,507 million, marking an increase of 36.1% year-over-year; and a net profit margin that rose to 6.5%. Against the backdrop of intensifying industry competition, we achieved balanced growth in both scale and profitability.

The Company achieved annual sales of 2.631 million units, setting a new record for its business scale. We made concerted efforts in our multi-brand portfolio, continuously optimized the product offerings, and further expanded the global user base, laying a solid foundation for high-quality development.

The Company sold 0.827 million new energy vehicles, with its production and sales volume and growth rate consistently ranking among the industry leaders. New energy vehicles have become a new engine of growth for the Company. The implementation of core technologies in electrification and intelligent systems has been accelerated, and the majority of new models launched this year are new energy vehicles. Fulwin A9L, ZongHeng G700, Fulwin T11, LUXEED R7, iCAR V23, and JAECOO5 have all been instant hits since their launch. New energy vehicles have become a key competitiveness in overseas markets, with overseas sales growing by more than 500% year-on-year.

The Company exported 1.294 million vehicles throughout the year, a year-on-year increase of 33.2%. By the end of 2025, it became the first Chinese automaker to surpass the milestone of exporting 5 million vehicles, maintaining its position as the top exporter of Chinese-brand passenger vehicles for 23 consecutive years and continuing to lead in global competitiveness. Upholding the philosophy of "In Somewhere, For Somewhere, Be Somewhere", the Company is actively advancing its "brand globalization" and "ecosystem globalization" initiatives, with products available in over 100 countries and regions worldwide. The Company has made significant breakthroughs in the highly regulated markets, expanding into 16 European countries; its joint venture with Spain has been hailed as a "model example of Sino-Spanish cooperation"; and its sales in Europe have grown by over 200% year-on-year.

The Company has been awarded the Nomination Award for the China Quality Award, the highest honor in China's quality sector. It ranked first among domestic brands in all five authoritative J.D. Power evaluations, including Initial Quality Study (IQS), Sales Service Index (SSI), Customer Service Index (CSI), Automotive Performance, Execution, and Layout (APEAL), and Vehicle Dependability Study (VDS) becoming the industry's only "five-time champion". A total of 60 models have received five-star safety ratings in various global assessments, solidifying the "Chery of Quality" brand image in the public's mind.

The Company has always adhered to building the enterprise on technology and constantly expanded its R&D investment and innovation. It has taken a series of key breakthroughs in core technological fields related to new energy and intelligence, continuously fortifying its technological moat. The series of ACTECO engines has been iterated. The Kunpeng SuperPower (鯤鵬超能) CDM-O 2.0TD hybrid-dedicated engine has enabled Chery to win the "China Heart Top Ten Engines" ("中國心十佳發動機") award for the 12th time; The Kunpeng Tianqing (鯤鵬天擎) hybrid-dedicated engine has been successfully adopted with a thermal efficiency exceeding 48%. The Company took the lead in launching the "China New Fuel" strategy to promote the comprehensive intelligent upgrading of fuel vehicles. It has introduced the "Falcon Advanced Intelligent Driving" ("獵鷹輔助智駕") solution, covering scenarios including highway NOA, urban NOA and off-road O-NOA. The "Lingxi Intelligent Cabin" ("靈犀智艙") is equipped with a new-generation AI intelligent agent, featured with multi-modal and natural intelligent interaction, both of which have been mass-produced and installed in vehicles. Meanwhile, the Company has achieved remarkable results in the layout of cutting-edge technologies. The embodied intelligent robot "Mornine" and the robot dog Argos have been mass-delivered globally, realizing commercial application. Relying on the self-control of core technologies across the entire industrial chain, the Company has driven the upgrading of products and global layout through sustained technological innovation, reinforcing the core competitiveness of "Technology Chery".

In addition, the Company remains committed to its corporate social responsibility, striving not only for commercial success but also to make a positive contribution to society. The Company donated HK$10 million to provide emergency relief for rescue operations in the disaster-stricken area of Tai Po, Hong Kong, and to support post-disaster aid and recovery efforts; announced an additional donation of US$6 million to UNICEF for children's education projects, building on previous collaborations that have helped nearly 40 million young people worldwide gain access to quality education; and launched comprehensive partnerships with organizations such as the IUCN to advance biodiversity conservation; joined forces with internationally influential figures to establish the "Chery Global ESG Advisory Alliance"; and, as the sole automotive industry representative, attended the signing of the "Building Sustainable Brands" initiative at the Palais des Nations in Geneva.

3. PROSPECT

In 2026, the wave of transformation sweeping the global automotive industry will continue to surge forward. Industry competition will center on electrification, intelligent technology, low-carbon solutions, AI, globalization, and premiumization, as the market landscape undergoes rapid restructuring and global competition intensifies. However, we firmly believe that challenges and opportunities go hand in hand, and innovation and hard work are inseparable; only by adhering to a long-term perspective can we achieve steady and sustainable progress.

Focusing on our five key development priorities (brand elevation, global market expansion, technology innovation, advancement toward the high end of the industrial ecosystem, and excellence in management), we are committed to achieving high-quality development characterized by speed, scale, quality, and profitability, while continuing to generate long-term, stable value returns for all shareholders.

First, we are committed to upgrading our brand by leveraging unique technological approaches, design aesthetics, and cultural value creation to deepen our multi-brand differentiation strategy. We will focus on product innovation and enhancing the user experience to create timeless classic models, thereby continuously driving the growth of our brand value;

Second, we will maintain a global market orientation, enhance our engagement in global markets, advance our "sustainable global expansion" strategy, improve our localized design, R&D, production, and service systems, expand into markets with stringent regulatory requirements, and deepen our green global expansion initiatives, in order to continuously enhance the quality and efficiency of our overseas market development;

Third, we will remain committed to technology-driven innovation, focus on building a solid foundation in technology, continue to increase investment in R&D, and concentrate our efforts on tackling cutting-edge core technologies such as solid-state batteries, large AI models, and advanced smart driving, thereby fulfilling our unwavering commitment to developing a global innovation ecosystem;

Fourth, we will focus on advancing our industries toward the high end of the industrial ecosystem, strengthening our core automotive business and expanding our high-tech ecosystem, promoting synergistic growth across multiple growth trajectories and high-quality development, and fostering a mutually beneficial and win-win environment throughout the entire industrial chain;

Fifth, we will strive for excellence in management, deepen process transformation and organizational optimization, improve our corporate governance system, and build a lean, efficient, and agile organization with a professional, global workforce.

Over the past 28 years, Chery Automobile has grown from nothing to a leading force through dedicated effort. It has remained true to its founding mission of "building quality cars for global customers", consistently driving development through innovation and winning market share through quality. In 2025, Chery Automobile took a crucial step toward transformative growth, with its IPO as a new starting point. Behind these five historic breakthroughs lie the trust and support of all shareholders, the choice and recognition of global customers, the collaboration of partners across the supply chain, and the dedication of every Chery employee. On behalf of the Company's Board of Directors and management, I would like to extend my heartfelt gratitude to all shareholders, global customers, industry partners, and all Chery colleagues!

As a publicly traded company listed on international capital markets, we are fully aware of the responsibilities and mission we bear. Moving forward, we will adopt a more open mindset, a more innovative spirit, and a more pragmatic approach to transform our shareholders' trust into a driving force for development and turn market opportunities into tangible growth. We are committed to accelerating our evolution into an innovation-driven, globally trusted participant in the smart mobility ecosystem, creating sustainable and stable value for our shareholders, and delivering safer, smarter, greener, and more diverse mobility products and experiences for our users. We will contribute Chery's strength to the globalization of China's automotive industry and the transformation and upgrading of the global automotive sector.

Yin Tongyue
March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Company is a passenger vehicle company headquartered in Wuhu, China. The Group designs, develops, manufactures and sells a diverse and expanding portfolio of passenger vehicles, including ICE vehicles and NEVs, to cater to the distinct and evolving needs and preferences of customers in both the domestic and overseas markets.

The Group takes pride in its technological prowess. With the Group's technological breakthroughs and innovations, including industry-leading vehicle platforms, state-of-the-art fuel and hybrid engine and transmission systems, E/E architecture, driving assistance technologies and intelligent cockpit system, the Group provides users worldwide with superior mobility experience featuring high performance, comprehensive safety and superior comfort and intelligence. Currently, the Group designs, develops, manufactures and sells passenger vehicles under five major brands namely, CHERY, JETOUR, EXEED, iCAR and LUXEED.

As the signature brand of the Group, **CHERY** is positioned as a first-rated car brand of safety, comfort and quality for mass market and family use. The CHERY brand consists of key product series of Tiggo, Arrizo and Fulwin, as well as OMODA and JAECOO mainly targeting overseas markets. The CHERY brand covers sedans and SUVs with ICE, PHEV, REEV and BEV versions.

JETOUR targets customers who are passionate about family travel and outdoor leisure. The JETOUR brand includes ICE vehicles and PHEVs.

EXEED targets customers who value performance and elegance and provides them with smooth and sophisticated travel experience. EXEED brand comprises product series of EXEED and EXLANTIX, covering sedans and SUVs with multiple powertrain options including ICE, PHEV, REEV and BEV versions.

iCAR, targeting Generation Z customers who are keen on technology and value freedom, is designed to bring in contemporary and smart travel experiences. iCAR offers a model of iCAR V23, and focuses on pure electric SUV models.

LUXEED, targeting customers who pursue intelligence, performance and innovation, is designed to provide them with a transformative and smart driving experience. LUXEED offers two models, namely S7, a smart sedan, and R7, a smart coupe SUV with both BEV and REEV versions.

In 2025, the Group continued its strong growth momentum as one of China's most globally oriented automotive groups. The Company further enhanced its competitiveness through a diversified multi-brand strategy, expanding its footprint across both emerging and mature markets. Operational efficiency, global product appeal and technology-driven differentiation remained the pillars of Chery's development throughout the Year.

The Group's multi-brand architecture enabled it to capture a wide range of customer segments spanning mass-market, premium, family-oriented and intelligent electric vehicle categories. The Group maintained a balanced product mix between ICE vehicles and NEVs, with continued acceleration in hybrid and smart EV adoption.

During the Year, the Group strengthened its position as a leading Chinese vehicle exporter, leveraging its long-established overseas presence. It further expanded its sales and service networks across Europe, South America, Africa and the Middle East, supported by overseas manufacturing bases and localized operations.

As at 31 December 2025, Chery operated 12 major production bases worldwide, including 2 overseas bases, enabling faster regional fulfilment, improved compliance with local regulatory requirements and enhanced supply chain resilience.

OUTLOOK AND FUTURE PLANS

The five major brands of the Group constitute a complementary brand portfolio. With distinct positioning and features, each brand targets different market segments with an expanding product lineup to meet diverse customer needs. In 2026, the Group plans to (i) further expand product lineup and sharpen brand positioning to enhance the Group's brand equity; (ii) continue to invest in R&D on next-generation technologies to strengthen the Group's competencies; (iii) continue to enhance vehicle electrification and intelligentization to embrace global mobility transformation; and (iv) expand the Group's international footprints with globalization strategy to solidify overseas market leadership.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The Group operates in a highly competitive and rapidly evolving automotive industry, and its business, financial condition and prospects are subject to a number of significant risks and uncertainties. Competition in both the traditional ICE vehicle market and the fast-growing NEV market remains intense, and demand for NEVs may be cyclical, policy driven, and volatile.

The performance of the Group during the Year may not be indicative of its future results, particularly as consumer preferences, regulatory requirements and technology trends continue to shift. As the Group expands globally, it faces risks inherent in international operations, including geopolitical uncertainties, trade compliance, currency fluctuations and differing regulatory regimes; failure to manage these risks effectively could materially and adversely affect the operations of the Group. In addition, the Group's business success depends on the continued strength, differentiation and market acceptance of its five major brands; any inability to maintain or enhance its brand equity, or any excessive expenditure in doing so, may negatively affect the performance of the Group. The Group also relies on a diversified network of suppliers for key raw materials and components and are therefore exposed to risks arising from price volatility, supply disruptions and potential inability of suppliers to meet its quality or delivery requirements. Furthermore, any delays in the development, launch, production or delivery of its existing or future vehicle models could undermine its competitiveness and growth trajectory.

FINANCIAL REVIEW

Revenue

During the Year, the Group derived its revenue primarily from sales of passenger vehicles, and automotive parts and components. In addition, the Group also manufactured and sold KD kits, the revenue of which is included in the sales of passenger vehicles.

The following table sets forth a breakdown of the Group's revenue by products for the years indicated:

	Year ended 31 December			
	2024		**2025**	
	RMB million	%	**RMB million**	**%**
Passenger vehicles	246,822	91.5	**272,352**	**90.7**
– *ICE vehicles*	187,891	69.6	**174,329**	**58.1**
– *NEVs*	58,931	21.9	**98,023**	**32.6**
Automotive parts and components	15,864	5.9	**21,725**	**7.2**
Others [(1)]	7,211	2.6	**6,210**	**2.1**
Total	269,897	100.0	**300,287**	**100.0**

Note:

(1) Others include automotive business-related procurement, production, technology development and other supporting services.

During the Year, the Group generated most of its revenue from the sales of ICE vehicles. Revenue of the Group increased by 11.3% from RMB269,897 million for the Previous Year to RMB300,287 million for the Year, primarily reflecting the following:

(i) revenue from sales of passenger vehicles increased by 10.3% from RMB246,822 million for the Previous Year to RMB272,352 million for the Year, primarily due to the enhanced product competitiveness and market recognition resulting from technological innovation, enriched products portfolio and market development;

(ii) revenue from sales of automotive parts and components increased by 36.9% from RMB15,864 million for the Previous Year to RMB21,725 million for the Year, primarily due to the increased demand for related components and parts driven by the rapid growth in passenger vehicle sales, as well as the growth in sales in overseas markets in 2025; and

(iii) revenue from others decreased by 13.9% from RMB7,211 million for the Previous Year to RMB6,210 million for the Year, primarily due to the reduction of certain automotive-related production and supporting services.

Cost of Sales

During the Year, cost of sales of the Group mainly included cost of materials, direct labor, manufacturing costs, warranty expenses, freight expenses and taxes. Cost of sales of the Group increased by 10.8% from RMB233,589 million for the Previous Year to RMB258,844 million for the Year, which is in line with the increase in the revenue.

Gross Profit and Gross Profit Margin

The following table sets forth the Group's gross profit and gross profit margin by product for the years indicated:

	Year ended 31 December			
	2024		**2025**	
	Gross profit RMB million	Gross profit margin %	**Gross profit RMB million**	**Gross profit margin %**
Passenger vehicles	32,572	13.2	**34,783**	**12.8**
– *ICE vehicles*	32,308	17.2	**26,144**	**15.0**
– *NEVs*	264	0.4	**8,639**	**8.8**
Automotive parts and components	3,243	20.4	**4,637**	**21.3**
Others	493	6.8	**2,023**	**32.6**
Total/Overall	36,308	13.5	**41,443**	**13.8**

Gross profit of the Group increased by 14.1% from RMB36,308 million for the Previous Year to RMB41,443 million for the Year, primarily due to the Group's business expansion.

Gross profit margin of the Group increased from 13.5% for the Previous Year to 13.8% for the Year, primarily reflecting the following:

(i) gross profit margin for passenger vehicles decreased from 13.2% for the Previous Year to 12.8% for the Year, primarily as a result of the increase in revenue contribution of NEVs to total revenue, which currently had a lower profit margin than ICE vehicles, and intensifying competition in markets;

(ii) gross profit margin for automotive parts and components was relatively stable at 20.4% and 21.3% for the Previous Year and the Year, respectively; and

(iii) gross profit margin for others increased from 6.8% for the Previous Year to 32.6% for the Year, primarily due to the technology license sales of certain vehicle models, which had a higher gross margin.

Other Income and Gains

Other income and gains of the Group primarily consisted of investment income, foreign exchange gains, gain on disposal of certain distribution network, additional deduction for value-added tax (VAT), research and development subsidies (R&D subsidies) and other subsidies. Other income and gains increased by 79.3% from RMB6,251 million for the Previous Year to RMB11,211 million for the Year, primarily due to the increase in foreign exchange gains and the gain on disposal of certain distribution network.

Selling and Distribution Expenses

Selling and distribution expenses of the Group primarily included advertisement and marketing expenses, and employee benefit expenses for its sales and marketing personnel. Selling and distribution expenses increased by 32.6% from RMB8,380 million for the Previous Year to RMB11,109 million for the Year due to the increase in advertisement and marketing expenses as well as employee benefit expenses.

Administrative Expenses

Administrative expenses of the Group primarily consisted of employee benefit expenses for its administrative personnel. Administrative expenses remained relatively stable at RMB5,999 million and RMB6,137 million for the Previous Year and the Year, respectively.

Research and Development Expenses

Research and development expenses of the Group primarily consisted of employee benefit expenses for its R&D personnel, cost of materials for R&D activities and design expenses. Research and development expenses increased by 23.8% from RMB9,243 million for the Previous Year to RMB11,444 million for the Year due to the enhancement of R&D efforts and the increase in employee benefit expenses.

Impairment (Losses)/Gains on Financial and Contract Assets, Net

Impairment (losses)/gains on financial and contract assets, net of the Group represented provisions/reversal of provisions for impairment of trade receivables, contract assets, financial assets included in prepayments, other receivables and other assets.

During the Year, the Group recorded net impairment losses on financial assets in the amount of RMB189 million as compared to net impairment gains on financial and contract assets in the amount of RMB258 million for the Previous Year. The turnaround was primarily attributable to the further provision for impairment losses of trade receivables and other receivables.

Finance Costs

Finance cost of the Group comprised interest expenses on bank loans and other borrowings, long-term liabilities and lease liabilities. Finance costs decreased by 9.3% from RMB2,310 million for the Previous Year to RMB2,096 million for the Year, primarily due to the repayment of loans.

Share of Profits and Losses of Joint Ventures and Associates

Share of profits and losses of joint ventures and associates comprised investment income in joint ventures and associates recognized under the equity method. In 2024 and 2025, share of profits of joint ventures and associates amounted to RMB1,446 million and RMB1,579 million, respectively.

Income Tax Expense

Income tax expenses primarily included the EIT, and the applicable income taxes of other countries where the Group conducts business or has establishment. Income tax expenses increased by 53.4% from RMB2,278 million for the Previous Year to RMB3,494 million for the Year, primarily due to the increase in the profit before tax.

Profit for the Year

As a result of the foregoing, profit for the year increased from RMB14,334 million for the Previous Year to RMB19,507 million for the Year.

Property, Plant and Equipment

Property, plant and equipment of the Group increased by 28.4% from RMB23,443 million for the Previous Year to RMB30,090 million for the Year due to the purchase of machinery and equipment and buildings as the Group expanded its production capacity in response to the increase in the demand of its products.

Inventories

Inventories of the Group comprised raw materials, work in progress and finished goods. Raw materials mainly included steel products, seats, tires, battery cells and electronic components. Work in progress and finished goods mainly included semi-completed or completed passenger vehicles, respectively.

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As at 31 December	
	2024	**2025**
	RMB million	**RMB million**
Raw materials	2,370	**3,032**
Work in progress	4,911	**3,085**
Finished goods	29,043	**30,635**
Total	36,324	**36,752**

Inventories of the Group remained relatively stable at RMB36,324 million and RMB36,752 million as of 31 December 2024 and 31 December 2025, respectively.

Trade Receivables

Trade receivables of the Group represented receivables of income from the sales of its products from its customers. Trade receivables increased by 94.5% from RMB17,423 million as of 31 December 2024 to RMB33,882 million as of 31 December 2025, primarily due to the increase of the sales of the Group's products.

Financial Assets at Fair Value through Profit or Loss

Financial assets at FVTPL of the Group primarily included (i) equity investments; (ii) wealth management products and structured deposits issued by banks in the PRC; and (iii) convertible bonds. All the structured deposits are principal-guaranteed while wealth management products are not. Financial assets at FVTPL increased from RMB19,640 million as of 31 December 2024 to RMB32,529 million as of 31 December 2025, primarily due to the purchase of wealth management products and structured deposits.

Trade and Bills Payables

Trade and bills payables primarily represent the Group's obligations to pay its suppliers. Trade and bills payables of the Group increased by 8.6% from RMB101,496 million as at 31 December 2024 to RMB110,213 million as at 31 December 2025, primarily due to the rising in procurement expenditures driven by the sales growth.

Other Payables and Accruals

Other payables and accruals mainly consisted of accrued salaries, bonuses and benefits, other payables for additions of property, plant and equipment, other tax payables and others. Other payables and accruals of the Group increased by 31.8% from RMB27,291 million as at 31 December 2024 to RMB35,975 million as at 31 December 2025, primarily due to the Group's business expansion.

Contract Liabilities

Contract liabilities mainly arise from the advance payments made by customers and rebate payables to customers in relation to our sales of vehicles and components. Contract liabilities of the Group increased by 29.2% from RMB15,319 million as of 31 December 2024 to RMB19,788 million as of 31 December 2025, primarily due to the Group's business expansion.

Net Current Assets/(Liabilities)

The Group's net current assets/(liabilities) turned around from net current liabilities of RMB3,401 million as of 31 December 2024 to net current assets of RMB9,668 million as of 31 December 2025, primarily due to the increase in our current liabilities offset by a significant increase in our current assets. Total current assets increased by 17.4% from RMB162,401 million as of 31 December 2024 to RMB190,612 million as of 31 December 2025, primarily due to the increase in trade receivables of RMB15,088 million and the increase in financial assets at fair value through profit or loss of RMB12,640 million. Total current liabilities increased by 9.1% from RMB165,802 million as of 31 December 2024 to RMB180,944 million as of 31 December 2025, primarily due to the increase in trade and bills payables of RMB8,717 million and the increase in other payables and accruals of RMB8,653 million.

LIQUIDITY AND CAPITAL RESOURCES

During the Year, the Group financed its capital expenditure and working capital requirements mainly through cash generated from operating activities, bank loans and the Net Proceeds from the issuance of shares.

As at 31 December 2025, cash and cash equivalents of the Group amounted to RMB46,955 million, which was primarily denominated in RMB22,538 million, USD548 million (equivalent to RMB3,853 million), EUR924 million (equivalent to RMB7,609 million), and HK$5,018 million (equivalent to RMB4,532 million) (31 December 2024: RMB62,693 million, of which RMB56,809 million was denominated in RMB).

Cash Flows

For the Year, the Group's net cash inflow from operating activities was RMB20,130 million, as compared to a net cash inflow from the operating activities of RMB44,887 million during the Previous Year, which was mainly attributable to the accelerated payments to the suppliers.

For the Year, the Group's net cash outflow from investing activities was RMB30,048 million, as compared to a net cash outflow from the investing activities of RMB3,177 million during the Previous Year, which was mainly attributable to higher net expenditures on purchasing wealth management products, structured deposits, time deposits and long-term assets during the year.

For the Year, the Group's net cash outflow from financing activities was RMB5,939 million, as compared to a net cash outflow from the financing activities of RMB13,783 million during the Previous Year, which was mainly attributable to the net proceeds of the issuances of shares and a decrease of repayment of bank and other interest-bearing borrowings during the Year.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

The Group's indebtedness primarily consisted of bank loans and other borrowings and lease liabilities.

As of 31 December 2025, the Group had bank loans and other borrowings of RMB15,924 million as compared to RMB23,166 million as of 31 December 2024. The majority of the Group's bank loans and other borrowings were unsecured.

The Group's lease liabilities represented the outstanding lease payments primarily in respect of its leased buildings and properties. As at 31 December 2025, the Group had lease liabilities of RMB4,135 million as compared to RMB2,319 million as of 31 December 2024.

Contingent Liabilities

As at 31 December 2025 and 31 December 2024, the Group did not have any material contingent liabilities.

Gearing Ratio

Gearing ratio is calculated based on the total liabilities as of the respective dates divided by total assets as of the respective dates. As at 31 December 2025, the gearing ratio of the Group was 80.4% (31 December 2024: 87.9%).

Pledge of Assets

As at 31 December 2025, the Group has pledged assets amounted to RMB23,859 million (31 December 2024: RMB3,375 million). These pledged assets primarily comprise pledged cash, financial assets at fair value through profit or loss, trade receivables, time deposits, certain property, plant and equipment, land use rights and patents.

Commitments

As at 31 December 2025, the Group had capital commitments contracted for but not yet provided of RMB5,380 million (31 December 2024: RMB2,519 million), primarily representing contracted but unprovided commitments for property, plant and equipment.

Capital Expenditures

The Group's capital expenditure primarily represented expenditures incurred for purchase of property, plant and equipment. During the Year, the Group incurred capital expenditures of approximately RMB14,272 million (2024: RMB8,361 million).

FINANCIAL RISKS

The Group is exposed to various types of financial risks in the ordinary course of business, including interest rate risk, foreign currency risk, credit risk, and liquidity risk. The Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Interest Rate Risk

The Group's exposure to risk for changes in market interest rates relates primarily to its 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.

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 to minimize the gap between assets and liabilities in the same currency, the Group has used foreign currency forward contracts to manage foreign currency risk associated with foreign currency-denominated assets and liabilities.

To mitigate foreign exchange risk, the Group has implemented a comprehensive risk management strategy, for example, by entering into foreign currency forward contracts to hedge part of its foreign exchange exposure.

Credit Risk

The Group trades only with recognized 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.

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.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the section headed "Future Plans and Use of Proceeds" as disclosed in the Prospectus, as of 31 December 2025, the Company did not have any other future plans for material investments or additions of capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any significant investment, material acquisition and disposals of subsidiaries, associates and joint ventures during the Year.

USE OF PROCEEDS FROM THE LISTING

The Net Proceeds, after deducting related underwriting fees and other expenses in connection with the Listing and the partial exercise of the over-allotment option in relation to the Listing, were approximately HK$10,128.6 million. The Net Proceeds will be utilized for the purposes set out in the Prospectus.

The following table sets forth the status of the use of the Net Proceeds from the Listing (after taking into account of the net proceeds from the partial exercise of the over-allotment option in relation to the Listing) up to 31 December 2025:

Proposed Use of Net Proceeds as Set Out in the Prospectus	Net Proceeds (HK$ million)	Utilised Net Proceeds subsequent to the Listing and up to 31 December 2025 (HK$ million)	Unutilised Net Proceeds as of 31 December 2025 (HK$ million)	Expected timeframe of full utilisation of the Net Proceeds
For the R&D of passenger vehicles of different models and versions to further expand the Group's product portfolio				
– for developing and expanding the Group's NEV offerings	2,025.7	50.3	1,975.4	2028
– for the upgrade and broadening of the Group's existing product series	1,519.3	58.6	1,460.7	2028
For the R&D in the next-generation vehicle and advanced technologies to enhance our core technological competencies				
– for investing in upgrading the Group's electrification technologies and vehicle platform architecture	1,012.9	7.0	1,005.9	2028
– for investing in the driving assistance solutions and intelligent cockpit solutions	1,519.3	5.3	1,514.0	2028
For expanding overseas markets and executing our globalization strategy	2,025.7	0	2,025.7	2029
For upgrading the Group's production facilities located in Wuhu, Anhui	1,012.9	3.7	1,009.2	2029
For working capital and general corporate purposes	1,012.9	70.6	942.3	2030
Total	10,128.6	195.5	9,933.1	

Note:

1. Numbers may not be additive due to rounding.

The Company has deposited the Net Proceeds not immediately used for the aforementioned purposes into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

As at 31 December 2025, the Directors are not aware of any material change in the planned use of Net Proceeds. The remaining Net Proceeds which had not been utilised were placed in short-term demand deposits with licensed financial institution. The unutilised Net Proceeds and the above timeline of intended utilisation will be applied in the manners disclosed by the Company. However, the expected timeline for the unutilised Net Proceeds is based on the Directors' best estimation barring unforeseen circumstances, and would be subject to change based on the future development of the Group's business and the market conditions.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A final dividend in respect of the year ended 31 December 2025 of RMB0.86 per share (tax inclusive), amounting to a total dividend of RMB5,000 million, was proposed by the Board of Directors at a meeting held on 18 March 2026, subject to the final approval by the shareholders of the Company at the Annual General Meeting. These financial statements do not reflect this dividend payable.

Save as disclosed, no other event has taken place subsequent to 31 December 2025 and up to the date of this report that may have a material impact on the Group's operating and financial performance that needs to be disclosed.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 70,103 full-time employees (31 December 2024: 57,323). For the Year, the staff cost of the Group amounted to RMB17,132 million (2024: RMB14,301 million).

The Group recruits its employees based on a number of factors such as their industry experience in the passenger vehicle industry, their educational background, and our vacancy needs. The Group generally pays its employees a fixed salary and other allowances based on their respective positions and responsibilities. The Group also entered into individual employment contracts with its employees, covering matters such as wages, employee benefits, employment scope and grounds for termination. The employees of the Group would undergo training to enhance their technical skills, knowledge of industry quality standards, occupational health and safety standards and applicable laws and regulations.

The Group makes contributions to various social welfare schemes for its employees. These schemes include contributions to social insurance and housing provident funds according to applicable laws and regulations. In this regard, the Group makes contributions to five categories of insurance including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) since the Listing up to 31 December 2025.

As of 31 December 2025, the Group did not hold any treasury shares.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, Supervisors and senior management of the Company are listed below. As at the date of this annual report, none of the following Directors, Supervisors or senior management had any relationship with any other Directors, Supervisors or senior management.

BOARD OF DIRECTORS

Executive Directors

Mr. Yin Tongyue (尹同躍), aged 63, participated in the preparation of the Company in October 1996 and has served as an executive Director since the establishment in January 1997, the chairman of the Board since February 2004, and the president of the Company since December 2024, who has been fully in charge of the daily operations and management of the Group. From January 1997 to February 2004, Mr. Yin served as the deputy general manager of the Company. During the period from February 2004 to April 2017 and from October 2018 to December 2024, Mr. Yin served as the general manager of the Company.

Mr. Yin has also served as the chairman and a director of certain subsidiaries of the Company, including (i) a director of Chery New Energy since April 2010 and the chairman of the board of directors of Chery New Energy since April 2025, (ii) the chairman and a director of Wuhu Purui Automobile Investment Co., Ltd.* (蕪湖普瑞汽車投資有限公司) since December 2014, and (iii) a director of Anhui Kai Yang Technology Co., Ltd.* (安徽開陽科技有限公司) since August 2024. In addition, Mr. Yin has been the chairman of the board of directors of Chery Holding since October 2010, and has also served as a director of certain subsidiaries of Chery Holding, including the chairman and a director of Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司) since May 2014, and a director of Karry New Energy Holding Co., Ltd.* (開瑞新能源控股有限公司) since December 2022. Mr. Yin has served as the chairman of Ruichuang since December 2004, and the executive director and the general manager of Wuhu Yongrui (the general partner of Hengrui and Zhenrui, the Group's employee stock ownership platforms) since February 2024.

Prior to joining the Group, Mr. Yin worked as a workshop supervisor and the head of the logistics section at FAW-Volkswagen Automotive Co., Ltd. (一汽－大眾汽車有限公司).

Mr. Yin obtained a bachelor's degree in automobile design from Hefei University of Technology (合肥工業大學) in the PRC in July 1984. Mr. Yin was awarded the CCTV China Economic Person of the Year (CCTV 中國經濟年度人物獎) by China Central Television in December 2005, the Second Prize of National Science and Technology Progress Award by the State Council of the People's Republic of China in December 2008, the Anhui Major Science and Technology Achievement Award by the People's Government of Anhui Province in November 2009, the title of "40 Years of Reform and Opening-up Tribute to Chinese Automobile Figures" (改革開放 40 年•致敬中國汽車人物) by China Central Television in June 2018, the Anhui Outstanding Contribution Talent Award by the People's Government of Anhui Province in July 2023, and the "Rao Bin Medal of China Automobile Industry" (中國汽車工業饒斌獎) by China Society of Automotive Engineers in November 2024. In November 2022, Mr. Yin was awarded the title of senior engineer by the Department of Human Resources and Social Security of Anhui Province. Mr. Yin was elected as a representative of the 14th National People's Congress in February 2023.

Mr. Zhang Guozhong (張國忠), aged 54, joined the Group in July 1997 and has served as an executive Director since March 2024 and the executive vice president of the Company since December 2024, responsible for the Group's daily operations and management. Mr. Zhang has also served as the chairman and a director of certain subsidiaries of the Company, including (i) a director of Chery Technology since September 2017, (ii) an executive director of Chery Sales since July 2019, (iii) a director of Wuhu Lion Automotive Technology Co., Ltd.* (蕪湖雄獅汽車科技有限公司) since November 2019, (iv) a director of Rejoin (Anhui) Supply Chain Technology Co., Ltd.* (瑞鯨(安徽)供應鏈科技有限公司) since April 2021, and (v) a director of Chery New Energy since May 2024, responsible for overseeing the operations and management at a high level.

From July 1997 to December 2024, Mr. Zhang successively served as a technician, a project manager, a paint workshop director, the factory director of the passenger car company, the assistant to the general manager, the deputy general manager, the executive deputy general manager, the general manager of Chery Auto Parts Procurement, the executive director of procurement of the Company, and the assistant to the general manager, the deputy general manager and the executive deputy general manager of the Company. From December 2021 to June 2025, Mr. Zhang served as a director of Chery Holding. In addition, Mr. Zhang has served as a supervisor in Qoros Automobile Co., Ltd.* (觀致汽車有限公司), a company in which the Company holds a minority interest, since March 2019 and a director of Ruichuang since November 2020.

Mr. Zhang obtained a bachelor's degree in chemical engineering and technology from Hefei University of Technology (合肥工業大學) in the PRC in July 1997 and a master's degree in vehicle engineering from Hefei University of Technology (合肥工業大學) in the PRC in December 2014. Mr. Zhang was awarded the title of senior engineer by the Department of Human Resources and Social Security of Anhui Province in January 2018.

Non-Executive Directors

Ms. Wang Laichun (王來春), aged 59, joined the Group in March 2024 and has served as a non-executive Director since then, responsible for high-level supervision on the management and operations of the Group.

Ms. Wang has over 30 years of experience in the precision manufacturing industry. Ms. Wang has served as the chairman and the general manager of Luxshare Precision Industry (listed on the Shenzhen Stock Exchange, stock code: 002475) since May 2004, responsible for formulating development strategies and goals. Ms. Wang also serves as the chairman, the vice chairman, a director and the legal representative of certain subsidiaries of Luxshare Precision Industry.

In addition, Ms. Wang has served as the chairman of the board and a non-executive director of Time Interconnect Technology Limited (listed on the Stock Exchange, stock code: 1729) since April 2022, responsible for formulating development strategies and goals.

Ms. Wang obtained her EMBA degree from Tsinghua University (清華大學) in the PRC in January 2008. Ms. Wang has served as a member of the 14th National Committee of the Chinese People's Political Consultative Conference, a vice chairman of the Chamber of Commerce for Women Entrepreneurs of the All-China Federation of Industry and Commerce and a vice chairman of the Guangdong Federation of Industry and Commerce (General Chamber of Commerce) since January 2023.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Li Jing (李晶), aged 55, joined the Group in March 2024 and has served as a non-executive Director since then, responsible for high-level supervision on the management and operations of the Group.

Ms. Li has over 21 years of experience in the precision manufacturing industry. Ms. Li has served as the general manager of the automotive department of Luxshare Precision Industry (listed on the Shenzhen Stock Exchange, stock code: 002475) since June 2004, responsible for the strategic planning and major decision-making of the automotive business. Ms. Li served as a director of Chery Holding from May 2022 to March 2024, responsible for the strategic planning and major decision-making.

Ms. Li obtained a bachelor's degree in automatic control from Dalian University of Technology (大連理工大學) in the PRC in July 1993.

Mr. Wang Jinhua (王津華), aged 56, joined the Group in April 2022 and has since then served as a non-executive Director, responsible for high-level supervision on the management and operations of the Group.

Mr. Wang has over 33 years of experience in management and corporate operations. Mr. Wang has served as the party secretary and chairman of Wuhu Investment Holding since November 2021, responsible for formulating overall development strategies and goals. Mr. Wang also serves as the chairman, a director and the general manager of certain subsidiaries and minority-owned companies of Wuhu Investment Holding, including a non-executive director of Chery Holding and Anhui Yofc Advanced Semiconductor Company Limited* (安徽長飛先進半導體有限公司) (currently known as Anhui Yofc Advanced Semiconductor Co., Ltd.* (安徽長飛先進半導體股份有限公司)) since May 2022, a director of EFORT Intelligent Equipment Co., Ltd. (埃夫特智能裝備股份有限公司) (listed on the STAR Market of the Shanghai Stock Exchange, stock code: 688165) since February 2022, etc., responsible for high-level supervision on the operations and management.

Mr. Wang worked as a teacher at Eshan Primary School in Fanchang County, Wuhu, Anhui Province from August 1988 to August 1992, and worked at the county party committee, county government and various functional departments of Fanchang County, Wuhu, Anhui Province from August 1992 to February 2019. From February 2019 to November 2021, Mr. Wang served as the party secretary and director of Wuhu Municipal Bureau of Water Resources.

Mr. Wang obtained a bachelor's degree in economics and management from the Correspondence College of the Party School of the CPC* (中共中央黨校函授學院) in the PRC through correspondence courses in December 1996 and obtained an in-service postgraduate certificate in economics and management from Party School of Anhui Provincial Committee of CPC (Anhui Academy of Governance) (中共安徽省委黨校(安徽行政學院)) in the PRC in July 2010.

Mr. Wang Xiaowei (王孝偉), aged 51, joined the Group in February 2025 and has since then served as a non-executive Director, responsible for high-level supervision on the management and operations of the Group.

Mr. Wang has over 18 years of experience in management and business operations. Mr. Wang has been the general manager of Wuhu Investment Holding since November 2024. Mr. Wang served as an investment and financing assistant, the deputy director of the engineering investment department, the director of the investment department and director of the office of Wuhu Investment Holding from July 2007 to January 2020; deputy general manager (from January 2020 to December 2020) and general manager (from December 2020 to September 2023) of Wuhu Yangtze River Bridge Investment and Construction Co., Ltd.* (蕪湖長江大橋投資建設有限公司); and deputy general manager of Wuhu Investment Holding from October 2020 to October 2024, responsible for overseeing the operations and management.

Mr. Wang obtained a diploma in political history from Wuhu Normal College* ((蕪湖師範專科學校), currently known as Anhui Normal University (安徽師範大學)) in the PRC in July 1995, a master's degree in Marxist philosophy from Anhui Normal University (安徽師範大學) in the PRC in June 2002, and a doctorate degree in economics from the Party School of the CPC Central Committee (National Academy of Governance) (中共中央黨校(國家行政學院)) in the PRC in July 2007.

Mr. Bao Siyu (鮑思語), aged 51, joined the Group in July 1999 and has served as a Director since June 2021. Mr. Bao currently is a non-executive Director, responsible for high-level supervision on the management and operations of the Group.

Mr. Bao has over 26 years of experience in management and corporate operations. Mr. Bao has served as an executive vice president of Chery Holding since December 2024, the general manager of Anhui Chery Intelligent Technology Co., Ltd.* (安徽奇瑞智能科技有限公司), a subsidiary of Chery Holding since May 2025, an employee representative director of Chery Holding since June 2025 and a director of Ruichuang since November 2020. From July 1999 to February 2014, Mr. Bao successively served as the assistant to the head of the procurement department and the head of the procurement quality section of the Company, the acting general manager of Wuhu Tianyou Automobile Technology Co., Ltd.* (蕪湖天佑汽車技術有限公司), a subsidiary of the Company, a deputy general manager of the Chery Auto Parts Procurement, and the general manager of the Group's Ordos Branch. From February 2014 to January 2024, Mr. Bao successively served as an assistant to the general manager and a deputy general manager of Chery Holding, and from September 2015 to May 2025, he served as the general manager of Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司), a subsidiary of Chery Holding. From September 2021 to February 2024, he served as the chairman of Chery New Energy, a subsidiary of the Company, and from September 2015 to January 2024, he successively served as a deputy general manager and an executive deputy general manager of the Company. From January 2024 to December 2024, Mr. Bao served as an executive deputy general manager of Chery Holding. Since May 2025, he has been the general manager of Anhui Chery Intelligent Technology Co., Ltd., a subsidiary of Chery Holding.

Mr. Bao obtained a bachelor's degree in quality engineering from Anhui Polytechnic University (安徽工程大學) in the PRC in July 1999.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yin Xiangling (尹祥領), aged 56, joined the Group in February 2025 and has served as a non-executive Director since then, responsible for high-level supervision on the management and operations of the Group.

Mr. Yin Xiangling has over 34 years of experience in finance and financing. He has been the chief financial officer of Anhui Credit Financing Guaranty Group Co., Ltd.* (安徽省信用融資擔保集團有限公司) since June 2021 and is currently responsible for the market-oriented guarantee business and financial management.

From July 1991 to June 2021, Mr. Yin Xiangling successively served as a chief clerk (secretary of the party group), the deputy director of the budget office, the deputy director of the budget division (budget office), the deputy division chief (deputy director) of the budget division (budget office), the deputy director and the executive deputy director of the government debt management office (director-level), the director of the government debt management office, and the level I consultant of the government debt management office of the Department of Finance of Anhui Province, the PRC.

Mr. Yin Xiangling obtained a bachelor's degree in economics from Fudan University (復旦大學) in the PRC through correspondence courses in July 1998 and an in-service postgraduate certificate in economics from the Party School of the CPC Central Committee (National Academy of Governance) (中共中央黨校(國家行政學院)) in the PRC in July 2008.

Mr. Hu Jingyuan (胡敬源), aged 55, joined the Group in September 2022 and has since then served as a non-executive Director, responsible for high-level supervision on the management and operations of the Group.

Mr. Hu has extensive experience in financing and investment. Mr. Hu has served as the deputy general manager and a member of the party committee of Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司) since November 2020 and July 2021, respectively, and has served as the chairman of board of directors of Anhui Railway Group Co., Ltd. (安徽省鐵路集團有限公司) since October 2024, responsible for daily operations and management.

Mr. Hu worked at Anhui Branch of Bank of Communications Co., Ltd. (交通銀行股份有限公司) ("**Bank of Communications**", dually listed on the Shanghai Stock Exchange (stock code: 601328) and the Stock Exchange (stock code: 3328)) for a long time, and successively served as the general manager of Anhui Branch of Bank of Communications, the secretary of the party committee and president of Huainan Branch of Bank of Communications, etc. Mr. Hu served as a director and legal representative of the subsidiaries of Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司), including the chairman and the legal representative of Anhui Shen'an Investment Co., Ltd.* (安徽深安投資有限公司) from August 2021 to January 2024, and a director of Anhui Zhongan Auto Financial Leasing Co., Ltd.* (安徽中安汽車融資租賃股份有限公司) from April 2021 to June 2024, responsible for the overall operations and management.

Mr. Hu obtained a college degree in Chinese language from Hefei Union University (合肥聯合大學) in the PRC in July 1993, a college degree in accountancy from Anhui Vocational College (安徽省職工大學) in the PRC in July 1997 and a bachelor's degree in finance accounting from Central Radio and Television University (中央廣播電視大學) in the PRC in April 2006. Mr. Hu was certified as an economist by the Ministry of Human Resources and Social Security of the People's Republic of China in November 1998.

Independent Non-executive Directors

Mr. Shang Wenjiang (商文江), aged 60, joined the Group in March 2024 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Shang has over 40 years of experience in law. Mr. Shang has served as the dean of School of Business and director of the MBA Education Center of China University of Political Science and Law (中國政法大學) since June 2022, and has served as an independent director of China Resources New Energy Group Company Limited and Xi'an Eswin Material Technology Co., Ltd. (西安奕斯偉材料科技股份有限公司) since June 2023.

Mr. Shang served as a lecturer at Zhejiang University (浙江大學) from 1985 to 1993 and an associate researcher at the University of International Business and Economics (對外經濟貿易大學) from 1999 to 2001. Mr. Shang successively served as a division director at China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), an assistant to the mayor of the Banan District People's Government of Chongqing (on a temporary basis), and an assistant to the director and deputy director of the Financial Affairs Office of the Chongqing Municipal People's Government (concurrently serving as a director of Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司) (assigned by Central Huijin Investment Ltd.)) from March 2001 to March 2011. From April 2011 to October 2014, Mr. Shang served as the deputy director of the Chongqing Liangjiang New Area Management Committee. From November 2014 to February 2022, he served as the vice president, the chairman of the labour union and a researcher of Southwest University of Political Science and Law (西南政法大學), and from February 2022 to June 2022, he served as a professor at China University of Political Science and Law (中國政法大學).

Mr. Shang obtained a bachelor's degree in law from East China University of Political Science and Law (華東政法大學) in the PRC in July 1985, a doctorate degree in civil and commercial law from China University of Political Science and Law (中國政法大學) in the PRC in July 1996, and obtained the qualification of researcher of law from Southwest University of Political Science and Law (西南政法大學) in the PRC in June 2015. Mr. Shang has served as a member of the 14th National Committee of the Chinese People's Political Consultative Conference, Education Sector and Economic Committee since January 2023.

Mr. Yang Mianzhi (楊棉之), aged 57, joined the Group in March 2024 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Yang has over 32 years of experience in accounting. Mr. Yang has been a professor at the University of Science and Technology Beijing (北京科技大學) since January 2022, a director of the Accounting Society of China since June 2023, and an independent director of 360 Security Technology Inc. (三六零安全科技股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601360) since May 2024, responsible for supervising and providing independent opinions and judgments to the board of directors.

Mr. Yang served as a professor and vice dean at Anhui University (安徽大學) from July 1993 to November 2017, and as a professor and the dean of the School of Economics and Management at China University of Petroleum (中國石油大學) from December 2017 to December 2021. Mr. Yang served as an independent director of Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司) (dually listed on the Shanghai Stock Exchange (stock code: 600012) and the Stock Exchange (stock code: 995)) from August 2011 to August 2017, an independent director of Guoyuan Securities Company Limited (國元證券股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000728) from October 2013 to January 2020, an independent non-executive director of Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司) (dually listed on the Shanghai Stock Exchange (stock code: 600585) and the Stock Exchange (stock code: 914)) from June 2016 to February 2021, and an independent director of Beijing Yuanliu Hongyuan Electronic Technology Co., Ltd. (北京元六鴻遠電子科技股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 603267) from July 2022 to July 2025.

Mr. Yang obtained a bachelor's degree in accounting from Anhui University of Finance and Economics (安徽財經大學) in the PRC in July 1993, a master's degree in business administration from Anhui University (安徽大學) in the PRC in July 2004, and a doctorate degree in business administration (financial management) from Renmin University of China (中國人民大學) in the PRC in June 2008. Mr. Yang obtained the qualification of professor of accounting from the University of Science and Technology Beijing (北京科技大學) in November 2011.

Mr. Ye Shengji (葉盛基), aged 64, joined the Group in March 2024 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Ye has over 40 years of experience in the automotive industry. Mr. Ye has served as an independent director of Xiamen King Long Motor Group Co., Ltd. (廈門金龍汽車集團股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600686) and Beiqi Foton Motor Co., Ltd. (北汽福田汽車股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600166) since September 2020 and November 2022, respectively, responsible for supervising and providing independent opinions and judgments to the board of directors.

From July 1985 to March 2009, Mr. Ye successively served as an engineer, a senior engineer, a professor-level senior engineer, the director of research office of the Institute of Standardization, the executive deputy general manager of certification center, the chief engineer and the chief expert of China Automotive Technology and Research Center* (中國汽車技術研究中心) (now known as China Automotive Technology and Research Center Co., Ltd. (中國汽車技術研究中心有限公司)), responsible for research and formulation of standards, regulations and certification, and research of industrial development and policy. Since March 2009, he has served as the assistant secretary-general and the director of the expert committee, the deputy secretary-general and management representative, the chief engineer and deputy secretary-general, and the chief engineer and executive deputy secretary-general of China Association of Automobile Manufacturers (中國汽車工業協會), responsible for research and formulation of standards, regulations and certification, new energy vehicles, industrial strategic development and policies. From April 2015 to June 2024, Mr. Ye served as a vice president of China Machine Building Quality Management Association. Mr. Ye served as an independent director of Zhejiang VIE Science and Technology Co., Ltd. (浙江萬安科技股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002590) from June 2020 to June 2023.

Mr. Ye obtained a bachelor's degree in automotive engineering from Hefei University of Technology (合肥工業大學) in the PRC in July 1985 and a college degree in law from the School of Continuing Education of Beijing Normal University (北京師範大學) through correspondence course in the PRC in March 1997. Mr. Ye obtained the qualification of a senior engineer with enhanced remuneration granted by China National Machinery Industry Bureau (國家機械工業局) in September 2000.

Mr. Lu Feng (路風), aged 70, joined the Group in March 2024 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Lu has over 43 years of experience in policy research. From February 1982 to August 1991, Mr. Lu successively served as a clerk in the Petitions Office of the General Office of the CPC Beijing Municipal Committee, a senior clerk in the Research Office of the Finance and Trade Office of the Beijing Municipal People's Government, a senior clerk in the Finance and Trade Bureau of the National Economic Commission, and a senior clerk in the Consumer Market Department and the Comprehensive Planning Department of the National Planning Commission. From June 1999 to January 2003, Mr. Lu served as an associate professor at the School of Public Administration of Tsinghua University (清華大學). From February 2003 to April 2019, he served as a professor at the Department of Economics and director of the Research Institute of Business and Government at School of Government of Peking University (北京大學).

In April 2010, Mr. Lu's paper titled "Unit: A Special Form of Social Organization" (《單位: 一種特殊的社會組織形式》) won the first "Outstanding Achievement Award in Sociology (社會學優秀成果獎)" of the Lu Xueyi Sociology Development Foundation (陸學藝社會學發展基金會). In October 2014, Mr. Lu's paper titled "Double Surplus, Capacity Gap and Independent Innovation — Macro and Micro Perspectives on Transformation of the Economic Development Mode" (《"雙順差"、能力缺口與自主創新——轉變經濟發展方式的宏觀和微觀視野》) won the fifth Zhang Peigang Outstanding Achievement Award in Development Economics (張培剛發展經濟學優秀成果獎). In February 2018, Mr. Lu's book titled "Light Change: An Enterprise and Its Industrial History" (《光變: 一個企業及其工業史》) won the "Enterprise Reform and Development Research Award (企業改革與發展研究獎)" at the seventh Jiang Yiwei Enterprise Reform and Development Academic Fund (蔣一葦企業改革與發展學術基金獎).

Mr. Lu obtained a bachelor's degree in philosophy from the Department of Political Science of the Minzu University of China (中央民族學院) in the PRC in September 1982 and a doctorate degree in political science from Columbia University in the United States in December 1998. Mr. Lu obtained the professor qualification from Peking University (北京大學) in the PRC in August 2002.

Mr. Yang Shanlin (楊善林), aged 77, joined the Group in March 2024 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Yang has over 30 years of experience in computer and its applications. Mr. Yang has been a professor at Hefei University of Technology (合肥工業大學) since December 1994, a co-chairman of Chinese Academy of Management since November 2015, and the director of the Academic Committee of Hefei University of Technology (合肥工業大學) since January 2019. Prior to this, Mr. Yang served as the dean of the School of Management at Hefei University of Technology (合肥工業大學) from January 1994 to June 2002, and as the vice president of Hefei University of Technology (合肥工業大學) from June 1996 to June 2006, responsible for overseeing the scientific research and the graduate school.

Mr. Yang was awarded the second prize of the National Science and Technology Progress Award by the State Council of the People's Republic of China in December 2006, the Outstanding Teacher Award of Higher Education Institutions by the Ministry of Education of the People's Republic of China in September 2008, the second prize of the National Science and Technology Progress Award by the State Council of the People's Republic of China in December 2008, and the National Teaching Achievement Award by the Ministry of Education of the People's Republic of China in September 2009. From March 2018 to March 2023, Mr. Yang served as a representative of the 13th National People's Congress.

Mr. Yang obtained a bachelor's degree in electronic computer and its applications from Hefei University of Technology (合肥工業大學) in the PRC in July 1982 and a master's degree in computer applications from Hefei University of Technology (合肥工業大學) in the PRC in February 1985. Mr. Yang obtained the professor qualification from Hefei University of Technology (合肥工業大學) in December 1994.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Lai Ni Hium, Frank (黎汝雄), aged 64, joined the Group in February 2025 and has served as an independent non-executive Director since then, responsible for supervising and providing independent opinions and judgements to the Board.

Mr. Lai has over 37 years of experience in financial management. Mr. Lai served as an executive director (responsible for finance and operations) and the chief executive officer of China Resources Gas Group Limited (listed on the Stock Exchange, stock code: 1193, formerly known as Logic International Holdings Limited), the chief financial officer of Nam Cheong Limited (listed on the Singapore Stock Exchange, stock code: 1MZ, formerly known as Eagle Brand Holdings Limited), an executive director, chief financial officer, company secretary and non-executive director of China Resources Microelectronics Limited (formerly listed on the Stock Exchange, stock code: 597) from May 2000 to June 2009, an executive director, the chief financial officer and company secretary, a non-executive director of China Resources Beer (Holdings) Company Limited (listed on the Stock Exchange, stock code: 291) and an executive director and chief financial officer of China Resources Enterprise, Limited from June 2009 to July 2023, the chief executive officer of Dah Chong Hong Holdings Limited, a subsidiary of CITIC Limited (listed on the Stock Exchange, stock code: 267), which is principally engaged in automobile and consumer goods distribution, from June 2016 to December 2024, and the chairman of board of directors and a director of Jonjee HI-TECH Industrial and Commercial Holding Co., Ltd. (中炬高新技術實業(集團)股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 600872) since July 2025.

Mr. Lai obtained a bachelor's degree in commerce from the University of Western Australia, Perth in Australia in April 1982 and a master's degree in business and management from the Western Australia Curtin University of Technology in Australia in August 1988. Mr. Lai was qualified as a Certified Practising Accountant accredited by CPA Australia in 1987, and is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of CPA Australia.

SUPERVISORS

Mr. Wu Yunfei (伍運飛), aged 44, joined the Group in November 2021 and has served as a Supervisor since then, responsible for chairing the work of the Supervisory Committee and coordinating Supervisors to supervise the operating and financial activities of the Group. Mr. Wu also served as a director of certain subsidiaries of the Company, including (i) a director of Anhui Ruizhi Drive Technology Co., Ltd.* (安徽瑞智驅動科技有限公司) since September 2016; (ii) a director of Chery New Energy since November 2023, and is responsible for the management or supervision of its operations.

Mr. Wu has over 21 years of experience in investment management and corporate management and operations. Mr. Wu joined Wuhu Investment Holding in July 2004 and served as a staff member of the investment management department, a staff member of the asset operations department, the deputy director of the investment management department, and the director of the investment management department of the company. Mr. Wu has served as a member of the party committee and deputy general manager of Wuhu Investment Holding since June 2022, and as the chairman, a director and the general manager of certain subsidiaries and minority-owned companies of Wuhu Investment Holding, responsible for management or supervision on their operations, including: (i) a director of Anhui Changjiang Equity Exchange Co., Ltd.* (安徽長江產權交易所有限公司) from April 2012 to June 2024, (ii) a director of EFORT Intelligent Equipment Co., Ltd. (埃夫特智能機器人股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 688165) since June 2019, (iii) the general manager (from July 2022 to December 2024) and (iv) a director of Wuhu Token Sciences Co., Ltd. (蕪湖長信科技股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 300088) since May 2023, etc.

Mr. Wu obtained a bachelor's degree in business administration from Hubei University of Economics (湖北經濟學院) in the PRC in June 2004.

Mr. Xu Hui (徐暉), aged 58, joined the Group in June 2006 and has served as a Supervisor since March 2024, responsible for the supervision on the operations and financial activities of the Group. Mr. Xu has served as a director and supervisor of certain subsidiaries of the Company, including: (i) a supervisor of Chery New Energy since December 2015, (ii) the legal representative and the executive director of Anhui Pusi Standard Technology Co., Ltd.* (安徽普思標準技術有限公司) since November 2017, and (iii) a supervisor of Chery Technology since January 2014, responsible for management or supervision on the operations.

Mr. Xu has over 25 years of experience in intellectual property and corporate management and operations. Mr. Xu served as the head of the legal and intellectual property department of the Company from June 2006 to February 2015. From February 2015 to April 2016, he served as the assistant to the general manager and secretary to the board of directors of Chery Holding. Since April 2016, he has served as the deputy general manager and secretary to the board of directors of Chery Holding, and as the chairman, director, general manager and legal representative of certain of its subsidiaries, generally responsible for the operations and management (including serving as chairman and general manager of Ruiyuan International Resources Investment Co., Ltd.* (瑞源國際資源投資有限公司) since December 2018, the chairman of the board of directors of Tu Journey Camping Management Co., Ltd.* (途居露營管理股份有限公司) since February 2024, and as a supervisor of Ruichuang since June 2008.

Mr. Xu served as the head of Wuhu Anhui Intellectual Property Agency Co., Ltd.* (蕪湖安匯知識產權代理有限公司). Since December 2008, Mr. Xu has served concurrently as an intellectual property expert of Wuhu Intermediate People's Court. In January 2010, Mr. Xu was awarded the National Intellectual Property Honorary Certificate by China National Intellectual Property Administration. Since May 2014, he has served concurrently as an expert of the Anhui Provincial Intellectual Property Bureau, and since October 2020, he has served concurrently as an expert of the Wuhu Municipal Supervision for Market Regulation.

Mr. Xu obtained a bachelor's degree in polymer from Tongji University (同濟大學) in the PRC in July 1991 and was awarded the title of associate researcher by the Anhui Provincial Natural Science Research Series Senior Position Evaluation Committee in December 2002.

Mr. Cai Changfeng (蔡長鋒), aged 41, joined the Group in July 2006 and has been the deputy director of the finance centre since August 2023 and a Supervisor since March 2024, responsible for the supervision on the operations and financial activities of the Group. Mr. Cai has also served as a director of certain subsidiaries of the Company, including (i) a director of Wuhu Purui Automobile Investment Co., Ltd.* (蕪湖普瑞汽車投資有限公司) since March 2007, (ii) a director of each of Chery Russia and its subsidiary, OMODA Cars Rus LLC since May 2018, (iii) a director of O&J (Hong Kong) Automobile Investment Co., Ltd. Since August 2023, and (iv) a director of EXEED Cars Rus LLC since August 2023, responsible for management on the operations.

Mr. Cai has over 19 years of experience in finance as well as corporate management and operations. Mr. Cai was the cost administrator, budget administrator and accountant of the Company from July 2006 to May 2011, the accountant-in-charge and section chief of the finance department of Chery Holding from June 2011 to December 2014, and the section chief of the finance department of the Company's International Region, senior chief accountant of the business & finance department, and senior manager of the business & finance department from January 2015 to July 2023, dispatched executive vice president of finance of Chery Jaguar Land Rover Automotive Co., Ltd. (奇瑞捷豹路虎汽車有限公司), responsible for its financial management. Mr. Cai has also served as a director and a supervisor of certain companies in which the Company holds a non-controlling interest, including a director of Chery (Qingdao) International Trading Co., Ltd.* (奇瑞(青島)國際貿易有限公司) since May 2020, a director of Chery Overseas Industrial Investment Co., Ltd.* (奇瑞海外實業投資有限公司) since September 2021, a director of Wuhu Ruirong International Trading Co., Ltd.* (蕪湖瑞融國際貿易有限公司) since November 2021, and a supervisor of Chery Jaguar Land Rover Automotive Co., Ltd. (奇瑞捷豹路虎汽車有限公司) and Chery Jaguar Land Rover Auto Sales Co., Ltd.* (奇瑞捷豹路虎汽車銷售有限公司), respectively, since July 2023, responsible for management or supervision on the operations.

Mr. Cai obtained a bachelor's degree in financial management from Hubei University of Automotive Technology (湖北汽車工業學院) in the PRC in June 2006 and was granted the qualification as a certified public accountant in August 2016 by the Chinese Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Dr. Gao Xinhua (高新華), aged 54, joined the Group in June 1997 and has been the executive vice president of the Company and dean of the Global Technology Innovation Center of the Company since December 2024 and is responsible for the supervision on the Group's technology development. Dr. Gao also serves as the chairman and a director of certain subsidiaries of the Company, including (i) a director of Chery Technology since February 2018, (ii) the chairman of the board of directors and a director of Wuhu Lion Automotive Technology Co., Ltd.* (蕪湖雄獅汽車科技有限公司) since November 2019, (iii) an executive director of Anhui New Energy and Intelligent Connected Vehicle Industry Research Institute Co., Ltd.* (安徽省新能源和智能網聯汽車產業研究院有限公司) since November 2021, (iv) an executive director of Chery Intelligent Automobile Technology (Hefei) Co., Ltd.* (奇瑞智能汽車科技(合肥)有限公司) since July 2022, (v) an executive director of Dazhuo Quxing Intelligent Technology (Shanghai) Co., Ltd.* (大卓趣行智能科技(上海)有限公司) since February 2023, (vi) a director of Acteco since December 2023, (vii) a director of Anhui Deeiot Energy Technology Co., Ltd.* (安徽得壹能源科技有限公司) since January 2024, and (viii) a director of Wuhu Purui Automobile Investment Co., Ltd.* (蕪湖普瑞汽車投資有限公司) since December 2024, responsible for managing the operations.

Dr. Gao has over 28 years of experience in the automobile industry. From July 1997 to December 2024, Dr. Gao served as the head of the vehicle section of the product department, the assistant to the director of the product department, the assistant to the director of the research institute, the vice director of the research institute, the deputy director of the product development centre, the assistant to the general manager, the deputy general manager, the general manager of the marketing company, the executive director of the product development management centre, the general manager and executive deputy general manager of the general research and development institute of automobile engineering technology of the Company, responsible for engineering design and product development. Since September 2010, Dr. Gao has concurrently served as a professor and a master's degree tutor at Hefei University of Technology (合肥工業大學), a visiting professor at Shanghai University of Engineering Science from September 2021 to September 2023, and a member of the Technical Committee of China Automotive Technology and Research Centre from July 2020 to June 2022.

Dr. Gao was awarded the title of Anhui Provincial Academic and Technical Leader by the People's Government of Anhui Province in May 2013, the title of the seventh batch of Anhui Provincial Strategic Emerging Industry Technical Leader jointly by the Organization Department of the CPC Committee of Anhui Province, Department of Human Resources and Social Security of Anhui Province, Anhui Development and Reform Commission, and Department of Science and Technology of Anhui Province in September 2018, and was awarded the title of Young and Middle-aged Expert with Outstanding Contributions by the National Ten Million Talents Project in July 2020.

Dr. Gao received a bachelor's degree in mechanical design and manufacturing from Hefei University of Technology (合肥工業大學) in the PRC in July 1994, a master's degree in mechanical engineering from Hefei University of Technology (合肥工業大學) in the PRC in December 1997, and a doctorate degree in vehicle engineering from Hefei University of Technology (合肥工業大學) in the PRC in June 2016. Dr. Gao was awarded the title of senior engineer in December 2009 by the Department of Human Resources and Social Security of Anhui Province.

Mr. Zhang Guibing (張貴兵), aged 49, joined the Group in July 1999, and has been the executive vice president and general manager of the international business group of the Company since December 2024 and is responsible for the integrated management of the Group's international business outside the PRC market. Mr. Zhang also serves as a director and chairman of certain subsidiaries of the Company, including (i) a director of Chery Russia since May 2018, (ii) the chairman of Anhui Xingtu Automobile Co., Ltd.* (安徽星途汽車有限公司) since December 2021, and (iii) a director of Anhui Mojia Zhichuang Robot Technology Co., Ltd.* (安徽墨甲智創機器人科技有限公司) since January 2025, responsible for managing the operations.

Mr. Zhang has over 26 years of experience in the automobile industry. He was the head of the overseas quality section, the manager of the project department, the assistant to general manager, the deputy general manager, the executive deputy general manager and general manager of the international business division, deputy general manager of Karry Vehicle business division, and the assistant to general manager, the deputy general manager and the executive deputy general manager of the Company from July 1999 to December 2024, in charge of the sales business in the international market. Mr. Zhang has served as the chairman of Chery Overseas Industrial Investment Co., Ltd.* (奇瑞海外實業投資有限公司) since November 2018, responsible for managing the operations.

Mr. Zhang was awarded the title of 2023 Anhui Economic Figure (2023 安徽年度經濟人物) by Anhui Broadcasting Corporation in February 2024.

Mr. Zhang obtained a bachelor's degree in automobile and tractor from Hefei University of Technology (合肥工業大學) in the PRC in July 1999.

Mr. Qi Shilong (戚士龍), aged 45, joined the Group in July 2003, has been the secretary to the Board since July 2023, and has been the executive vice president since January 2025 and is responsible for the supervision on the finance and supply chain operations and management of the Group. Mr. Qi also has served as the chairman, director, and supervisor of certain subsidiaries of the Company, including (i) a director of Ordos Ruishi International Trading Co., Ltd.* (鄂爾多斯市瑞世國際貿易有限公司) since October 2015, (ii) a supervisor of Chery Sales since July 2019, (iii) a non-executive director of Rejoin (Anhui) Supply Chain Technology Co., Ltd.* (瑞鯨(安徽)供應鏈科技有限公司) since May 2021, and (iv) the chairman of the board of directors of Chery Technology since January 2022, and is responsible for managing or supervising the operations.

Mr. Qi has over 22 years of experience in the automobile industry. From July 2003 to December 2024, Mr. Qi served as the supervisor and head of the budget section of the finance department of the Company, the director of the treasury and tax department of the finance department, the deputy director of the finance department, the assistant to the general manager and the executive director of the finance department, and the executive director of the operation and management centre and the deputy general manager. Mr. Qi served as a non-executive director of Rayhoo Motor Dies Co., Ltd. (瑞鵠汽車模具股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002997) from January 2024 to January 2025. Mr. Qi has also served as a director of certain companies in which the Company holds a non-controlling interest, including a non-executive director of Wuhu Chery Capital Management Co., Ltd.* (蕪湖奇瑞資本管理有限公司) since December 2021, and a non-executive director of Zhejiang Wanliyang Co., Ltd. (浙江萬里揚股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 002434) since August 2024. In addition, Mr. Qi has served as a non-executive director of Anhui Guofu Industry Investment Fund Management Co., Ltd.* (安徽國富產業投資基金管理有限公司) since February 2022, a supervisor of Chery Holding since May 2022, and the chairman of board of directors and a director of Chery Jaguar Land Rover Automotive Co., Ltd. (奇瑞捷豹路虎汽車有限公司) since April 2025.

Mr. Qi obtained a bachelor's degree in accounting from Anhui University of Technology (安徽工業大學) in the PRC in July 2003 and a master's degree in business administration from Tsinghua University (清華大學) in the PRC in October 2020.

Mr. Li Xueyong (李學用), aged 43, joined the Group in July 2005 and has been the executive vice president and general manager of the CHERY domestic business group of the Company from January 2025, and is responsible for the management of CHERY domestic business and JETOUR business. Mr. Li has also served as the chairman and the general manager of certain subsidiaries of the Company, including (i) the general manager of Chery Sales since November 2022, and (ii) the chairman of Soueast Motor since March 2024, responsible for managing the operations.

Mr. Li has over 20 years of experience in the automobile industry. Mr. Li served as a sales assistant, a department head and a regional manager at Chery Sales, a marketing director of the Tiggo product line, and an assistant to general manager and the deputy general manager of Henan Branch from July 2005 to December 2016; the executive deputy general manager of Chery Commercial Vehicle (Anhui) Co., Ltd. (奇瑞商用車(安徽)有限公司), a subsidiary of Chery Holding, and the executive deputy general manager and the assistant to general manager of the JETOUR product line from January 2017 to May 2022; the assistant to general manager, the general manager of the JETOUR business division and the marketing company, the deputy general manager, the vice president and the general manager of the CHERY domestic business group of the Company from May 2022 to January 2025.

Mr. Li obtained his bachelor's degree in automation from Beihua University (北華大學) in the PRC in June 2005.

For the biographical details of Mr. Yin Tongyue and Mr. Zhang Guozhong, please refer to "Board of Directors – Executive Directors" in this section.

Since the Listing Date and up to the date of this report, there has been no change in the information of any Director, Supervisor or the chief executive that is required to be disclosed under Rule 13.51(2) of the Listing Rules, nor has any other matter arisen requiring disclosure under Rule 13.51B(1) of the Listing Rules.

The Board hereby presents this Corporate Governance Report for the year ended 31 December 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to implementing high standards of corporate governance, and the Directors recognise the importance of sound corporate governance in safeguarding shareholders' interests. Since the Listing and up to 31 December 2025, the Company has applied the principles of good corporate governance and complied with all code provisions of the Corporate Governance Code, except for the deviation from code provision C.2.1 set out in the Corporate Governance Code.

Code provision C.2.1 set out in Corporate Governance Code stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, Mr. Yin serves as the chairman of the Board and president. The Board believes that Mr. Yin has been operating and managing the Company since its incorporation and is familiar with the operations of the Group, which is in the best interest of the Group to have both roles assumed by Mr. Yin after the Listing for the effective management of the Group as well as for the development of the business of the Group, and that Mr. Yin will provide strong and consistent leadership to the Group. This arrangement will ensure the effective and efficient overall strategic planning of the Group as the structure will enable the Company to make and implement decisions quickly and effectively. In addition, the Company has put in place appropriate checks and balances through the Board and six independent non-executive Directors. The independent non-executive Directors are able to maintain their independence of character and judgment and are able to express their views without undue restrictions. The Company will consult the Board for advice on any major decisions. Accordingly, the Board is of the view that the balance of power and authority of the existing arrangement will not be jeopardised as the arrangement does not result in an excessive concentration of power in a single individual, which may adversely affect the interests of minority Shareholders.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code as the guidelines for the Directors' and the Supervisors' dealings in the securities of the Company since the Listing.

Specific enquiry has been made to all the Directors and the Supervisors and they have confirmed that they have complied with the Model Code since the Listing up to 31 December 2025.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Board Composition

As at the date of this annual report, the Board comprises 15 Directors, comprising two executive Directors, seven non-executive Directors, and six independent non-executive Directors. The composition of the Board is set forth below:

Executive Directors

Mr. Yin Tongyue *(Chairman and President)*
Mr. Zhang Guozhong

Non-executive Directors

Ms. Wang Laichun
Ms. Li Jing
Mr. Wang Jinhua
Mr. Wang Xiaowei
Mr. Bao Siyu
Mr. Yin Xiangling
Mr. Hu Jingyuan

Independent Non-executive Directors

Mr. Shang Wenjiang
Mr. Yang Mianzhi
Mr. Ye Shengji
Mr. Lu Feng
Mr. Yang Shanlin
Mr. Lai Ni Hium, Frank

Personal particulars of the Directors are set out in the section headed "Biographical Details of Directors, Supervisors and Senior Management" in this annual report. No relationship (including financial, business, family or other material/relevant relationship(s)) exists between any member of the Board and other directors, Supervisors, and senior management.

The Role of the Board and the Management

The Board provides strategic leadership, corporate governance, and oversight. It sets the Group's long-term direction, approves major investments and financing decisions, oversees risk and compliance, appoints senior executives, and monitors management performance. The Board ensures accountability to Shareholders and safeguards the Company's governance framework through its committees and decision-making authority.

The management is responsible for the execution and operation of the Group's business. It implements the strategies, policies, and resolutions approved by the Board; manages day-to-day operations; drives organisational performance; designs internal management systems; and ensures operational efficiency. Management reports to and is supervised by the Board.

Independent Non-executive Directors

The independent non-executive Directors play a crucial role on the Board by providing objective, impartial and independent judgment. Their independence enables them to offer unbiased oversight and independent professional judgment, strengthening the Board's decision-making processes. By bringing diverse expertise and professional insights, they contribute to sound governance practices and support the balanced, sustainable development of the Group.

Since the Listing and up to 31 December 2025, the Board has complied with the requirements of Rule 3.10A of the Listing Rules (which specified that an issuer must appoint independent non-executive directors representing at least one-third of the board), and the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules (which specify that every board of directors shall include at least three independent non-executive directors, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise).

The Company has received annual confirmation from each independent non-executive Director of his/her independence. The Company confirms it considers all the independent non-executive Directors to be independent with reference to the factors set out in Rule 3.13 of the Listing Rules.

The Board has implemented governance measures to ensure that independent views are duly considered in its decision-making process. Directors are provided with adequate resources to perform their duties and may, where necessary, seek independent professional advice at the Company's expense to assist in the discharge of their responsibilities. The Board maintains a strong element of independence through the participation of independent non-executive Directors, who serve on key Board committees, contributing objective judgement and oversight. All Directors are afforded equal opportunities to express their views and have direct access to the management of the Group to facilitate fully informed Board discussions. In addition, where a Director has a conflict of interest in a matter to be considered by the Board, such matter will be dealt with at a physical Board meeting rather than by written resolutions, and the Director concerned must declare his or her interest and abstain from voting and will not be counted toward the quorum. Independent non-executive Directors who, and whose associates, have no interest in the matter will participate in the relevant deliberations, thereby ensuring that the Board's decisions are made on an independent and objective basis.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board since the Listing and up to 31 December 2025.

Term of Appointment of Directors

Code provision B.2.2 of the Corporate Governance Code provides that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. In accordance with the Articles of Association, each Director is appointed for a term of three years and is eligible for re-election upon the expiry of his or her term.

Directors' Training and Professional Development

Directors should participate in appropriate continuing professional development to develop and refresh their knowledge and skills. The Company is responsible for arranging and funding comprehensive, formal and tailored induction for newly appointed Directors upon appointment and suitable continuous professional development for all Directors.

Each Director, namely, Mr. Yin Tongyue, Mr. Zhang Guozhong, Ms. Wang Laichun, Ms. Li Jing, Mr. Wang Jinhua, Mr. Wang Xiaowei, Mr. Bao Siyu, Mr. Yin Xiangling, Mr. Hu Jingyuan, Mr. Shang Wenjiang, Mr. Yang Mianzhi, Mr. Ye Shengji, Mr. Lu Feng, Mr. Yang Shanlin and Mr. Lai Ni Hium, Frank, confirmed that he/she (i) has obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 10 February 2025 and (ii) is aware of his/her responsibilities as a director of a listed issuer under the Listing Rules.

Since the Listing and up to 31 December 2025, all the Directors have participated in continuous professional development to develop and refresh their knowledge and skills. Training received by Directors during the year ended 31 December 2025 are as follows:

Directors	Types of training *(Note)*
Mr. Yin Tongyue	A, B
Mr. Zhang Guozhong	A, B
Ms. Wang Laichun	A, B
Ms. Li Jing	A, B
Mr. Wang Jinhua	A, B
Mr. Wang Xiaowei	A, B
Mr. Bao Siyu	A, B
Mr. Yin Xiangling	A, B
Mr. Hu Jingyuan	A, B
Mr. Shang Wenjiang	A, B
Mr. Yang Mianzhi	A, B
Mr. Ye Shengji	A, B
Mr. Lu Feng	A, B
Mr. Yang Shanlin	A, B
Mr. Lai Ni Hium, Frank	A, B

Notes:

Types of training

A: Attending training sessions, including but not limited to, briefings, seminars and conferences.

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications.

BOARD COMMITTEES

The Risk Control and Audit Committee

As at the date of this annual report, the Risk Control and Audit Committee comprises three non-executive Directors and four independent non-executive Directors, namely, Mr. Wang Jinhua, Mr. Bao Siyu, Mr. Hu Jingyuan, Mr. Shang Wenjiang, Mr. Yang Mianzhi, Mr. Yang Shanlin and Mr. Lai Ni Hium, Frank. Mr. Lai Ni Hium, Frank, an independent non-executive Director, is the chairman of the Risk Control and Audit Committee. Mr. Lai Ni Hium, Frank has appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Risk Control and Audit Committee is responsible for proposing the appointment, re-appointment and removal of the external auditor, making recommendations to the Board, and approving the remuneration and terms of engagement of the external auditor. It reviews and monitors the independence and objectivity of the external auditor and the effectiveness of the audit process, discusses with the auditor the nature, scope, methodology and relevant reporting obligations of the audit before it commences, and formulates and implements policies on the provision of non-audit services by the external auditor. The Risk Control and Audit Committee monitors the authenticity, accuracy and completeness of the Company's financial statements and reviews the Company's annual report and accounts, interim report and quarterly reports (if any), including material opinions contained therein. It reviews the Company's systems of financial reporting, internal control and risk management, and discusses these systems with management to ensure that management has performed its duty to establish effective systems. The Risk Control and Audit Committee is also responsible for communication between the internal auditing department and the external auditor, acts as the key representative of the Company in dealings with the external auditor, and performs such other matters as authorised by the Board.

During the year ended 31 December 2025, the Risk Control and Audit Committee held 5 meetings to consider, among other things, the proposals on the Company's 2024 financial settlement report, the Company's 2024 internal audit and compliance work report, the Company's 2024 profit distribution plan, the Company's 2025 financial budget report, implementation of the Company's 2024 connected transactions and estimation for 2025.

The following table sets out the attendance of each member at the meetings of the Risk Control and Audit Committee:

Name of Director	No. of meetings eligible to attend	No. of meetings attended by the Director	No. of meetings attended by alternate
Mr. Wang Jinhua	5	5	–
Mr. Bao Siyu	5	5	–
Mr. Hu Jingyuan	5	5	–
Mr. Shang Wenjiang	5	5	–
Mr. Yang Mianzhi	5	5	–
Mr. Yang Shanlin	5	5	–
Mr. Lai Ni Hium, Frank *(Note)*	4	4	–

Note:

Mr. Lai Ni Hium, Frank was appointed as member of the Risk Control and Audit Committee on 15 February 2025.

The Nomination and Remuneration Committee

As at the date of this annual report, the Nomination and Remuneration Committee comprises one executive Director, two non-executive Directors and four independent non-executive Directors, namely, Mr. Zhang Guozhong, Ms. Li Jing, Mr. Wang Xiaowei, Mr. Shang Wenjiang, Mr. Yang Mianzhi, Mr. Ye Shengji and Mr. Lu Feng. Mr. Shang Wenjiang, an independent non-executive Director, is the chairman of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is responsible for establishing the criteria, procedures and methods for selecting Directors and senior management, and submitting such matters to the Board for consideration. It regularly reviews the structure, size and composition of the Board and the relevant qualifications of its members, assists the Board in developing a board skill chart, and advises on any proposed changes to the Board to complement the Company's strategy. The Nomination and Remuneration Committee identifies and reviews individuals qualified to serve as Directors and senior management, assesses their skills, knowledge and experience, and reviews the independence of the independent non-executive Directors. It supports the Company's periodic evaluation of the performance of the Board and reviews the Board diversity policy, the measurable objectives set for its implementation and progress made in achieving those objectives. The Nomination and Remuneration Committee makes recommendations to the Board on the remuneration policy and structure for Directors and senior management, establishes formal and transparent procedures for developing such policies, determines the remuneration packages of executive Directors and senior management, and makes recommendations to the Board on the remuneration of non-executive Directors. It also prepares and oversees the performance appraisal plan for senior management, examines the performance of duties by Directors and senior management, reviews the Company's policies and proposals on salary, welfare, rewards and penalties, and reviews and/or approves matters relating to share schemes under Chapter 17 of the Listing Rules, and performs such other matters as authorised by the Board.

During the year ended 31 December 2025, the Nomination and Remuneration Committee held 4 meetings to consider, among other things, the proposed appointment of senior management of the Company, nomination of non-executive Directors and independent non-executive Directors, implementation of the Company's second phase incentive plans.

The following table sets out the attendance of each member at the meetings of the Nomination and Remuneration Committee:

Name of Director	No. of meetings eligible to attend	No. of meetings attended by the Director	No. of meetings attended by alternate
Mr. Zhang Guozhong	4	4	–
Ms. Li Jing	4	4	–
Mr. Wang Xiaowei *(Note)*	2	2	–
Mr. Shang Wenjiang	4	4	–
Mr. Yang Mianzhi	4	4	–
Mr. Ye Shengji	4	4	–
Mr. Lu Feng	4	4	–

Note:

Mr. Wang Xiaowei was appointed as member of the Nomination and Remuneration Committee on 15 February 2025.

The Strategy and Sustainability Committee

The Strategy and Sustainability Committee comprises seven Directors, namely Mr. Yin Tongyue, Ms. Wang Laichun, Mr. Wang Jinhua, Mr. Zhang Guozhong, Mr. Yin Xiangling, Mr. Lai Ni Hium, Frank and Mr. Ye Shengji. Mr. Yin Tongyue, executive Director, chairman of the Board and president of the Company, is the chairman of the Strategy and Sustainability Committee.

The primary duties of the Strategy and Sustainability Committee include evaluating and making recommendations on the long-term strategic planning and other significant matters that may affect the Group's development strategy, and performs such other matters as authorised by the Board.

GENERAL MEETINGS, BOARD OF DIRECTORS AND THE BOARD COMMITTEES' MEETINGS

During the year ended 31 December 2025, the Board held 10 meetings. The following table sets out the attendance of each Director at the meetings of the Board and general meetings:

Name of Director	No. of Board meetings eligible to attend	No. of Board meetings attended by the Director	No. of Board meetings attended by alternate	No. of shareholders' meetings eligible to attend	No. of shareholders' meeting attended
Mr. Yin Tongyue	10	10	–	3	3
Mr. Zhang Guozhong	10	10	–	3	3
Ms. Wang Laichun	10	9	1	3	3
Ms. Li Jing	10	10	–	3	3
Mr. Wang Jinhua	10	9	1	3	3
Mr. Wang Xiaowei *(Note)*	8	7	1	1	1
Mr. Bao Siyu	10	10	–	3	3
Mr. Yin Xiangling *(Note)*	8	8	–	1	1
Mr. Hu Jingyuan	10	10	–	3	3
Mr. Shang Wenjiang	10	10	–	3	3
Mr. Yang Mianzhi	10	10	–	3	3
Mr. Ye Shengji	10	10	–	3	3
Mr. Lu Feng	10	10	–	3	3
Mr. Yang Shanlin	10	10	–	3	3
Mr. Lai Ni Hium, Frank *(Note)*	8	8	–	1	1

Note:

Mr. Wang Xiaowei, Mr. Yin Xiangling and Mr. Lai Ni Hium, Frank were appointed as Director on 15 February 2025.

NOMINATION POLICY

The Nomination and Remuneration Committee is a specialised working body under the Board, principally responsible for considering the selection of Directors (including independent non-executive Directors) and senior management, determining the selection criteria and procedures, and making recommendations to the Board. The Nomination and Remuneration Committee shall review the criteria and procedures for the selection and terms of office of Directors and senior management in accordance with applicable laws, administrative regulations, the Listing Rules, the Corporate Governance Code and the Articles of Association, taking into account the actual conditions of the Company.

When identifying and evaluating candidates for directorship, the Nomination and Remuneration Committee considers a range of factors such as cultural, educational, and professional background; skills, knowledge, and experience that align with the Company's strategy; independence for independent non-executive Directors; the diversity and perspectives, including gender diversity, that a candidate would add to the Board; time commitment and overall suitability; as well as any other requirements stipulated by applicable laws, the Hong Kong Listing Rules, and the Articles of Association.

The procedures for nominating Directors are summarised as below:

(i) The chairman of the Nomination and Remuneration Committee shall convene meetings as necessary to review selection criteria, prepare nomination proposals, and consider candidates. The Nomination and Remuneration Committee may identify qualified candidates through search and identification processes without requiring nominations from Board members.

(ii) The Nomination and Remuneration Committee conducts preliminary reviews on the qualifications, background, experience and independence (as applicable) of candidates, and submits nominations and recommendations to the Board for consideration. The nomination of Director candidates approved by the Board shall then be submitted to the Shareholders' general meeting for consideration and approval.

(iii) To provide Shareholders with information on Director candidates, the Company shall issue a circular in accordance with applicable laws, rules and regulations, setting out the information of the nominated candidates.

DIRECTORS', SUPERVISORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY

The Company offers its executive Directors, Supervisors and senior management, who are also the Company's employees, compensation in the form of fees, salaries, bonuses and benefits in kind (including contributions to pension plans). The remuneration of executive Directors, Supervisors and senior management is determined with reference to factors such as the positions and responsibilities, risks and commitments of the executive Directors, Supervisors and senior management, the market standards of the same industry and the operations of the Company. Non-executive Directors and Independent non-executive Directors receive compensation with reference to their respective positions and duties including their roles and responsibilities at Board committees.

REMUNERATION OF SENIOR MANAGEMENT

Details of the remuneration of the Directors, the Supervisors and chief executive and the respective remuneration of the five highest paid individuals for the year ended 31 December 2025 are set out in Notes 8 and 9 to the consolidated financial statements. During the year ended 31 December 2025, no Directors and Supervisors waived or agreed to waive any emoluments except for Mr. Yang Shanlin, who declared in June 2025 that he waived all allowances while serving as an independent non-executive Director, with such waiver remaining effective until the expiry of the current term of the Board or upon his resignation, whichever occurs earlier.

The remuneration payable to members of senior management (other than the two executive Directors) by band for the year ended 31 December 2025 is set out below:

Remuneration level	Number of persons
HK$14,000,001 to HK$14,500,000	1
HK$17,500,001 to HK$18,000,000	1
HK$29,000,001 to HK$29,500,000	1
HK$45,000,001 to HK$45,500,000	1

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board and sees diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination and Remuneration Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The Directors have a balanced mix of knowledge and skills, and the Board comprises seven non-executive Directors and six independent non-executive Directors with different industry backgrounds.

With regards to gender diversity on the Board, the Company recognise the particular importance of gender diversity. The Board currently has two female Directors, and one female member serves in the Nomination and Remuneration Committee. The Board considers that the Company has achieved gender diversity at the Board level and targets to maintain the current level of female representation and in any event at least one female Director shall be seated on the Board. The Company will ensure that gender diversity is taken into account when recruiting staff members of mid to senior level and ensure that sufficient resources are available for providing appropriate trainings and career development to develop a pipeline of potential successors to the Board and maintain gender diversity.

The Company will continue to implement measures and steps to promote and enhance gender diversity at all levels. The Company will select potential Board candidates based on merit and his/her potential contribution to the Board while taking into account the board diversity policy and other factors. The Company will also take into consideration its own business model and specific needs from time to time. All Board appointments will be based on meritocracy and candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.

Taking into account the Company's existing business model and specific needs as well as the different backgrounds of the Directors, the composition of the Board satisfies the Company's board diversity policy. Pursuant to the board diversity policy, the Nomination and Remuneration Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

EMPLOYEE DIVERSITY

The Group promotes diversity and equal treatment in recruitment, training, and professional and personal development of its employees, and is committed to fostering a positive working environment. To achieve diversity at workforce level, the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates with different age, gender and experiences are considered. The Group has also established talent management and training programs to provide career development guidance and promotion opportunities to develop a broad and diverse pool of skilled and experienced employees.

In line with its commitment to providing equal job opportunities, the Group actively encourages female employees' participation in high-tech, R&D, and innovation initiatives, and implement targeted measures to enhance gender representation in talent pipelines. The Group strengthens gender-inclusive practices through training and development programs, and will continue to promote diversity and inclusion through its human resources policies and workplace practices.

The indicators on employees of the Group, including senior management, as at 31 December 2025 are set out below:

	As at 31 December 2025	
Indicator	**Number of persons**	**Percentage of total number of employees**
Male employees	57,656	82%
Female employees	12,447	18%

Based on the Group's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of any legal actions against them arising out of the Company's business, and the insurance coverage will be reviewed annually.

CORPORATE GOVERNANCE FUNCTION

The Board has a duty to perform the functions set out in code provision A.2.1 of the Corporate Governance Code. During the period from the Listing Date up to 31 December 2025, the Board has developed and reviewed the Company's policies and practices on corporate governance; reviewed and monitored the training and continuing professional development of Directors and senior management and the Company's policies and practices in relation to compliance with legal and regulatory requirements; developed, reviewed and monitored the code of conduct and compliance manual to employees and Directors; and reviewed the Company's compliance with the Corporate Governance Code.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness at least annually. It has established the Risk Control and Audit Committee as specialised working body under the Board to review the financial conditions of the Company, examine the authenticity, completeness and accuracy of financial information, assess the implementation and effectiveness of the Group's risk management and internal control systems, and formulate risk management strategy, which is then evaluated and approved by the Board. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has developed and implemented comprehensive risk management and internal control policies designed to supervise and address strategic, operational, financial, and compliance risks identified across its business operations. These systems form an integral part of the Group's governance structure and are continuously improved to enhance their effectiveness. By implementing the risk management and internal control policies, the Group controls risks associated with its business operations with the adoption of control and acceptance strategies. Each business unit of the Group constitutes the first line of defense for risk management and implements risk control measures in business processes and operations. Each enabling function of the Group constitutes the second line of defense for risk management and implements risk control measures in functional processes and operations.

The Group's internal audit function forms the third line of defense, responsible for supervising and inspecting business activities, risk management practices and financial information, and conducting annual internal control evaluations. The internal audit function reports directly to the Board and operates under the supervision of the Risk Control and Audit Committee.

The Company continues to allocate resources to enhance its risk management system. In 2025, the Company optimised its risk management system in accordance with the COSO Committee's 2017 updated version of "Enterprise Risk Management-Integrating with Strategy and Performance" and the International Organization for Standardization (ISO) 31000 "Risk Management – Guidelines". This provided an institutional and procedural foundation for the entire company to adopt a consistent approach to identifying, assessing, managing, and reporting risks. Identifying, assessing and managing risks is the responsibility of the Company's management. During 2025, the Company conducted a comprehensive risk identification and assessment according to company-wide risk appetite and risk tolerance, covering not only existing risks but also emerging risks, established a company-level risk data base and risk heat map, and prioritised the review of risk control measures for significant risks. For some of these risks, specialised risk governance task forces were established to strengthen risk mitigation effectiveness. In 2025, the Company clarified its risk management procedures through institutional and process development, covering the entire process of risk identification, risk assessment, risk response governance, and risk reporting and monitoring. The system defines the roles, responsibilities, and authorities of different departments and employees at each stage of risk management.

This year, the Company's internal control evaluation working group formulated the internal control evaluation plan, covering financial, operational and compliance controls, conducted on-site inspections and evaluations of the internal control system, identified internal control deficiencies, developed rectification plans in collaboration with responsible departments, tracked the implementation of rectifications, and compiled an internal control evaluation report to be submitted to the Board.

Based on the effectiveness evaluation of the risk management and internal control systems as well as the internal audit function from the internal control assessment report, along with confirmation from the Company's management, and further considering the sufficiency of the personnel and resources, the qualifications and experience of risk employees, training programs, and the Company's budgetary investments in accounting and financial reporting, risk management, internal controls, compliance, internal audit, and ESG functions, the Risk Control and Audit Committee confirms that the Company's risk management and internal control systems are effective and sufficient during the year ended 31 December 2025.

Accordingly, the Board is of the view that the risk management system adopted by the Company is adequate and effective in assessing, determining, and managing significant risks that the Company may undertake to achieve its strategic objectives.

PROCEDURES FOR HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Company maintains a policy on disclosure of inside information with reference to the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission. The policy sets out procedures and internal controls for handling and disseminating inside information in an appropriate and timely manner, such as taking steps to determine sufficient details, conducting internal assessment of the matter and its possible impact on the Company, seeking professional advice when required and verifying the facts. Anyone in possession of the information must ensure such information is kept in strict confidentiality and is not allowed to buy or sell any securities of the Company until the information is fully disclosed to the public.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RELATION TO FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025, which give a true and fair view of the condition of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern.

The auditor's statement on its reporting responsibilities in respect of the Group's consolidated financial statements is set out in the Independent Auditor's Report in this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the Company's remuneration to the external auditor of the Company, Ernst & Young, in respect of the audit of the Group's consolidated financial statements was RMB7 million. Apart from this, the Company's external auditor provided non-audit services primarily in respect of tax and sustainability advisory services at a fee of RMB6 million.

JOINT COMPANY SECRETARIES

Ms. Zhan Ni, assistant to the president and head of the office of the Board, and Ms. Yu Wing Sze, manager of the listing services division at TMF Hong Kong Limited, an external service provider of the Company, have been appointed as the joint company secretaries of the Company.

Ms. Zhan Ni has been designated as the principal contact person of the Company and will cooperate and communicate with Ms. Yu Wing Sze on corporate governance matters of the Company.

During the year ended 31 December 2025, Ms. Zhan Ni and Ms. Yu Wing Sze have received relevant professional training of not less than 15 hours respectively in accordance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening of General Meetings by Shareholders

Shareholder(s) individually or collectively holding 10% or more of the Shares (excluding treasury shares) shall have the right to request the Board to convene an extraordinary general meeting and such request shall be made to the Board in writing.

The Board shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within ten days upon receipt of the request. Where the Board agrees to hold an extraordinary general meeting, it shall issue a notice of the general meeting within five days after the resolution is made. Any change to the original request shall be subject to the approval from the relevant Shareholder(s). Where the Board does not agree to hold an extraordinary general meeting or fails to give a reply within ten days upon receipt of the request, Shareholder(s) who individually or collectively holding 10% or more of the Shares shall have the right to submit a proposal to the Supervisory Committee on holding an extraordinary general meeting and such request shall be made in writing.

The Supervisory Committee shall give a written response as to whether or not it agrees to convene such an extraordinary general meeting within ten days upon receipt of the proposal. Where the Supervisory Committee agrees to hold an extraordinary general meeting, it shall issue a notice of general meeting within five days after receiving the request. Any changes to the original request shall be approved by the relevant Shareholder(s). Where the Supervisory Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed that the Supervisory Committee does not convene or preside over the meeting, in which case, Shareholder(s) who individually or collectively holding 10% or more of the Shares for 90 or more consecutive days may convene and preside over the meeting on their own.

If the general meeting is convened by the Supervisory Committee or Shareholder(s) on their own, a written notice shall be issued to the Board. Prior to the announcement of the resolution of the general meeting, the proportion of Shares held by the convening Shareholder(s) shall not be less than 10%.

The Board and the secretary to the Board should cooperate with the Supervisory Committee or Shareholder(s) to convene general meetings on their own. The Board shall provide the register of Shareholders on the record date of equity interests.

The expenses necessary for the general meeting convened by the Supervisory Committee or the Shareholder(s) themselves shall be borne by the Company.

Putting Forward Proposals at General Meetings

When the Company convenes a general meeting, the Board, the Supervisory Committee, and Shareholder(s) individually or jointly holding 1% or more of the Shares of the Company shall have the right to make a proposal to the Company. Shareholder(s) individually or jointly holding 1% or more of the Shares may make an interim proposal in writing to the convener of a general meeting 10 days prior to the meeting. An interim proposal shall have a topic and a specific resolution. Within two days upon receipt of such proposal, the convener shall issue a supplemental notice of the general meeting and announce the content of such interim proposal and submit the same to the general meeting for consideration, except for those interim proposals which violate the provisions of laws, administrative regulations, the Listing Rules, other securities regulatory rules of the places where the Shares are listed or the Articles of Association, or do not fall within the terms of reference of the general meeting.

Proposals which are not specified in the notice of general meeting or do not comply with Article 57 of the Articles of Association shall not be voted on and resolved at the general meeting.

Enquiries to the Board

The Company maintains a website at www.chery-auto.com, where information on the Company's profile, key corporate governance policies and announcements, financial reports, sustainable development and other information are available for public access. Shareholders and investors may send written enquiries or requests to the Company by the following ways:

Address: No. 8, Changchun Road Economic Technology and Development Area Wuhu, Anhui PRC
Email: chery-auto_IR@mychery.com

INVESTOR RELATIONS

Shareholders' Communication Policy

The Company is committed to providing shareholders with fair, equal and timely access to information. Corporate communications such as directors' report, annual accounts together with a copy of the auditors' report, interim report, notice of meeting, listing document, circular and proxy form are disseminated to the Shareholders in accordance with the Articles of Association, and are published on the respective website of the Company and the Stock Exchange in a timely manner.

Shareholders may express their views through participation at general meetings or by making written enquiries to the Board. The Articles of Association allow Shareholders to submit proposals and convene general meetings, ensuring Shareholders have formal avenues to communicate their views on matters affecting the Company.

Since the Listing and up to 31 December 2025, all corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. All these implemented measures together have ensured the Shareholders are provided with regular, equal and timely access to balanced and understandable information about the Group, which ensures that Shareholders can exercise their rights in an informed manner and allows them to engage actively with the Group. In view of the above, the Board considers that the shareholders communication policy is effective.

Dividend Policy

As the Board considers dividend declarations with reference to the operating and financial conditions of each relevant year and other circumstances as appropriate, it has not adopted a formal dividend policy so as to maintain flexibility for the Board to formulate profit distribution plan each year.

The payment and amounts of dividends (if any) depend on the Group's results of operations, cash flows, financial position, statutory and regulatory restrictions on the dividends to be paid by the Company, prospects and other relevant factors. The declaration, payment and amount of dividends will be subject to the Company's discretion. The proposed payment of dividends is also subject to the resolution of the shareholders' meeting, and any declaration of final dividend for the period will be subject to the approval of the Shareholders.

Constitutional Documents

The Company had amended the Articles of Association since the Listing to reflect the capital increase of the Company as a result of the partial exercise of the over-allotment option in relation to the Listing, details of which are set out in the Company's announcement dated 28 October 2025.

The full text of the up-to-date Articles of Association is available on the Company's website (www.chery-auto.com) and the website of the Stock Exchange (www.hkexnews.hk).

REPORT OF THE DIRECTORS

The Board is pleased to present its Directors' report and the audited consolidated financial statements of the Company for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacturing and sales of passenger vehicles, automotive parts and components.

BUSINESS REVIEW

The Group's business review and its future business development, an analysis of the Group's business using financial key performance indicators, important events affecting the Company that have occurred since the end of the financial year, and a description of the principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" in this annual report.

FINAL DIVIDEND

The Board has resolved to recommend the distribution of a final dividend in cash of RMB0.86 per share of the Company (tax inclusive) for the Year. It is expected that the proposed final dividend, if approved by the Shareholders at the 2025 AGM, will be paid on or before 26 June 2026.

The final dividend payable to the Unlisted Shareholders will be paid in Renminbi, and that to the holders of H Shareholders will be declared in Renminbi and paid in Hong Kong Dollars at an exchange rate calculated based on the average exchange rate of RMB against Hong Kong dollars published by the People's Bank of China five business days prior to the 2025 AGM.

As at 31 December 2025, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

DIVIDEND TAXATION

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-Chinese Mainland resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realised on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law《中華人民共和國個人所得税法》and its implementation rules, dividends from sources within Chinese Mainland paid to foreign individual investors who are not Chinese Mainland residents are generally subject to a Chinese Mainland withholding tax at a rate of 20% and gains from Chinese Mainland sources realised by such investors on the transfer of shares are generally subject to a 20% Chinese Mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese Mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045《關於國税發[1993]045 號文件廢止後有關個人所得税徵管問題的通知》(Guo Shui Han [2011] No. 348) (國税函[2011]348 號) dated June 28, 2011, issued by the STA, dividends paid to non-Chinese Mainland resident individual holders of H Shares are generally subject to individual income tax of Chinese Mainland at the withholding tax rate of 10%, depending on whether there is any

applicable tax treaty between China and the jurisdiction where the non-Chinese Mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese Mainland and Hong Kong. Non-Chinese Mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese Mainland are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》issued by the MOF of Chinese Mainland and the STA on 30 March 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on 31 December 2009, the MOF, the STA and the China Securities Regulatory Commission (中國證券監督管理委員會) jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》(Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(Cai Shui [2010] No. 70). As of the date of this annual report, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-Chinese Mainland resident individuals on the sale of shares of Chinese Mainland resident enterprises listed on overseas stock exchanges.

Shareholders are recommended to consult their tax advisors regarding the ownership and disposal of H Shares in the PRC and in Hong Kong and other tax effects.

SHARE CAPITAL

In connection with the Listing, 297,397,000 H Shares were issued and allotted at a price of HK$30.75 per H Share. Dealing in the H Shares on the Stock Exchange commenced on 25 September 2025. On 27 October 2025, an additional of 41,375,900 H Shares were issued and allotted at a price of HK$30.75 per H Share pursuant to the partial exercise of the over-allotment option in relation to the Listing. The aggregate nominal value of the 338,772,900 H Shares issued was RMB338,772,900.

After deducting related underwriting fees and other expenses in connection with the Listing, the Company received an aggregate Net Proceeds of approximately HK$10,128.6 million. The net price per H Share was approximately HK$29.9.

Details of the changes in share capital of the Company for the year ended 31 December 2025 are set out in Note 34 to the consolidated financial statements.

DEBENTURES

The Company did not issue any debentures during the year ended 31 December 2025.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and the management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Company. For the year ended 31 December 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

REPORT OF THE DIRECTORS

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity and in the section headed "Consolidated Statement of Changes in Equity" in this annual report.

As at 31 December 2025, the Company's aggregate amount of reserve available for distribution to equity Shareholders was approximately RMB34,564 million.

RIGHTS OF PRE-EMPTIVE

According to the PRC laws and the Articles of Association, there is no arrangement for the rights of pre-emption.

TAX RELIEF AND EXEMPTION TO HOLDERS OF LISTED SECURITIES

Save as disclosed in this annual report, the Company is not aware of any tax relief or exemption available to the Shareholders of the Company due to their holding of the Company's securities.

BOARD OF DIRECTORS AND SUPERVISORY COMMITTEE

The Directors and the Supervisors during the year ended 31 December 2025 and up to the date of this annual report are set out below:

Executive Directors

Mr. Yin Tongyue *(Chairman and President)*
Mr. Zhang Guozhong

Non-executive Directors

Ms. Wang Laichun
Ms. Li Jing
Mr. Wang Jinhua
Mr. Wang Xiaowei
Mr. Bao Siyu
Mr. Yin Xiangling
Mr. Hu Jingyuan

Independent Non-executive Directors

Mr. Shang Wenjiang
Mr. Yang Mianzhi
Mr. Ye Shengji
Mr. Lu Feng
Mr. Yang Shanlin
Mr. Lai Ni Hium, Frank

Supervisors

Mr. Wu Yunfei *(Chairman)*
Mr. Xu Hui
Mr. Cai Changfeng

SERVICE CONTRACTS AND APPOINTMENT LETTERS OF DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors entered into a service contract with the Company for a term of three years. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

None of the Directors or Supervisors has or is proposed to have a service contract with any member of the Company other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

MATERIAL INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

During the year ended 31 December 2025, save as the transactions between the Group and Luxshare Precision Industry, an associate of Ms. Wang Laichun, a non-executive Director, disclosed in the section headed "CONTINUING CONNECTED TRANSACTIONS" and note 42 to the consolidated financial statements. no other Director, Supervisor or any entity connected with the Directors or Supervisors of the Company was materially interested in, either directly or indirectly, any transactions, arrangements or contracts of significance relating to the business of the Company to which the Company or any of its subsidiaries is a party.

INTERESTS OF DIRECTORS AND SUPERVISORS IN COMPETING BUSINESS

During the year ended 31 December 2025, no Directors, the Supervisors or any of their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the Company's business as required to be disclosed under Rule 8.10 of the Listing Rules.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the following Directors, Supervisors or chief executive of the Company had interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Name	Nature of interest	Description of Shares	Number of Shares[1]	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate)[2]	Approximate percentage of interest in the total share capital of the Company[2]
Mr. Yin	Interest in a controlled corporation[3]	Unlisted Shares	604,072,938	17.49%	10.40%
		H Shares	394,182,869	16.74%	6.79%
		Total	**998,255,807**		**17.19%**

Notes:

(1) All interests are long positions.

(2) The calculation is based on the total number of 3,453,832,559 Unlisted Shares and 2,354,771,974 H Shares in issue as at 31 December 2025.

(3) Mr. Yin is deemed to be interested in the 604,072,938 Unlisted Shares and 394,182,869 H Shares held by the Management and Employee Stock Ownership Platforms, comprising (i) 419,780,138 Unlisted Shares and 209,890,069 H Shares held by Ruichuang, (ii) 92,146,400 Unlisted Shares and 92,146,400 H Shares held by Hengrui, and (iii) 92,146,400 Unlisted Shares and 92,146,400 H Shares held by Zhenrui. For the avoidance of doubt, the above statistical interests of Mr. Yin are deemed interests for the purpose of the SFO, which does not imply that Mr. Yin actually owns such interests. At the level of Hengrui and Zhenrui, the general partner of Hengrui and Zhenrui, Mr. Yin only holds equity interests as a shareholder of Wuhu Yongrui, the general partner of Hengrui and Zhenrui, with very low shareholding percentages in Hengrui and Zhenrui, and the actual interests held through Hengrui and Zhenrui in the Company are negligible. On a see-through basis, Mr. Yin only holds interests in the Company through Ruichuang, and the percentage of interests actually held by Mr. Yin in the Company is less than 5%.

Save as disclosed above, as at 31 December 2025, none of the Directors, Supervisors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Further, none of the Directors or the Supervisors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

So far as known to the Directors as at 31 December 2025, the following persons other than the Directors, Supervisors and chief executive of the Company had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Nature of interest	Description of Shares	Number of Shares[1]	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate)[2]	Approximate percentage of interest in the total share capital of the Company[2]
Wuhu Investment Holding	Beneficial owner[3]	Unlisted Shares	938,978,159	27.19%	16.17%
		H Shares	218,793,265	9.29%	3.77%
Ms. Wang Laijiao	Interest in controlled corporation[4]	Unlisted Shares	920,426,548	26.65%	15.85%
		H Shares	Nil	–	–
Mr. Wang Laixi	Interest in controlled corporation[4]	Unlisted Shares	920,426,548	26.65%	15.85%
		H Shares	Nil	–	–
Luxshare Investment Limited	Interest in controlled corporation	Unlisted Shares	920,426,548	26.65%	15.85%
		H Shares	Nil	–	–
Luxshare Investment (HK) Limited	Beneficial owner[4]	Unlisted Shares	920,426,548	26.65%	15.85%
		H Shares	Nil	–	–
Ruichuang	Beneficial owner	Unlisted Shares	419,780,138	12.15%	7.23%
		H Shares	209,890,069	8.91%	3.61%
Anhui Credit Guaranty	Beneficial owner	Unlisted Shares	272,756,800	7.90%	4.70%
		H Shares	272,756,800	11.58%	4.70%
Wuhu Yongrui	Interest in controlled corporation	Unlisted Shares	184,292,800	5.34%	3.17%
		H Shares	184,292,800	7.83%	3.17%
Anhui Investment Holding	Beneficial owner	Unlisted Shares	142,112,000	4.11%	2.45%
		H Shares	142,112,000	6.04%	2.45%
Qingdao Wudaokou	Beneficial owner[5]	Unlisted Shares	93,178,985	2.70%	1.60%
		H Shares	136,359,488	5.79%	2.35%
Ningbo Wending	Beneficial owner[6]	Unlisted Shares	Nil	–	–
		H Shares	172,483,393	7.32%	2.97%
Qingdao Xincheng	Beneficial owner[7]	Unlisted Shares	Nil	–	–
		H Shares	154,676,594	6.57%	2.66%
Zhuhai Shangshun	Beneficial owner[8]	Unlisted Shares	Nil	–	–
		H Shares	122,322,174	5.19%	2.11%

Notes:

(1) All interests are long positions.

(2) The calculation is based on the total number of 3,453,832,559 Unlisted Shares and 2,354,771,974 H Shares in issue as at 31 December 2025.

(3) Wuhu Investment Holding is owned as to 95.59% by Wuhu SASAC and as to 4.41% by Anhui Provincial Department of Finance.

(4) As at 31 December 2025, Luxshare Investment (HK) Limited directly held 920,426,548 Foreign Unlisted Shares. Luxshare Investment (HK) Limited is a wholly-owned subsidiary of Luxshare Investment Limited. Each of Ms. Wang Laijiao and Mr. Wang Laixi, both being family members of Ms. Wang Laichun (non-executive Director), holds 50% of the issued share capital of Luxshare Investment Limited. Therefore, each of Luxshare Investment Limited, Ms. Wang Laijiao and Mr. Wang Laixi is deemed to be interested in 920,426,548 Foreign Unlisted Shares held by Luxshare Investment (HK) Limited for the purpose of the SFO.

(5) Qingdao Wudaokou is a limited partnership established in the PRC. The general partner of Qingdao Wudaokou is Qingdao Xingrui, holding 0.99% partnership interest in Qingdao Wudaokou. Qingdao Xingrui is owned as to 51% and 49% by Beijing Water Wood and Qingdao Chengxin. The general partner holding 0.33% partnership interest in Beijing Water Wood is owned as to 99% by Mr. Mao Jian (毛健), and the limited partner holding 98.67% partnership interest in Beijing Water Wood is Mr. Mao Jian (毛健). Qingdao Chengxin is ultimately owned as to 46% and 54% by the Qingdao SASAC and the Jimo SAOSC, respectively. The limited partners of Qingdao Wudaokou include Jinan Jiading and Jinan Changying, each holding 49.51% partnership interest in Qingdao Wudaokou. Each of the general partner and the limited partner of Jinan Jiading is ultimately owned as to 46% and 54% by Qingdao SASAC and Jimo SAOSC. The general partner of Jinan Changying holding 0.01% partnership interest is ultimately controlled as to 37.64% and 35% by Mr. Ba Zhen (巴震) and Jimo SAOSC. The limited partner of Jinan Changying, holding 99.99% partnership interest in Jinan Changying is wholly owned by Jimo SAOSC. Therefore, Qingdao Xingrui, Beijing Waterwood, Qingdao Chengxin, Jinan Jiading, Jinan Changying, Mr. Mao Jian and Mr. Ba Zhen are deemed to be interested in the Shares held by Qingdao Wudaokou for the purpose of the SFO.

(6) Contemporary Amperex Technology Co., Limited (寧德時代新能源科技股份有限公司), dually listed on the Shenzhen Stock Exchange (stock code: 300750) and the Stock Exchange (stock code: 3750), is deemed to be interested in the Shares held by its wholly-owned subsidiary, Ningbo Wending, for the purpose of the SFO.

(7) Qingdao Xincheng is a limited partnership established in the PRC. The general partner of Qingdao Xincheng is Xincheng Haishun, holding 0.0059% partnership interest in Qingdao Xincheng. Xincheng Haishun is owned as to 52.83% by Zhuhai Houjiang Consultation Service Co., Ltd.* (珠海厚疆諮詢服務有限責任公司),which is in turn owned as to 60% by Mr. Xie Yongyuan (謝永元) and 40% by Mr. Jiang Bo (姜波), 35.00% by Qingdao Chengxin, which is in turn owned as to 46% by Qingdao SASAC and 54% by Jimo SAOSC, and 12.17% by Qingdao Jimo Innovation Investment Development Co., Ltd.* (青島即墨創智投資發展有限公司), which is in turn wholly owned by Jimo SAOSC. Therefore, Xincheng Haishun, Zhuhai Houjiang, Qingdao Chengxin, Qingdao Urban Investment, Mr. Xie Yongyuan, and Mr. Jiang Bo are deemed to be interested in the Shares held by Qingdao Xincheng for the purpose of the SFO.

(8) Zhuhai Shangshun is a limited partnership established in the PRC. The general partner of Zhuhai Shangshun is Tibet Jinkun, holding 0.0006% partnership interest in Zhuhai Shangshun. Tibet Jinkun is owned as to 34%, 33.30% and 32.70% by Mr. Niu Kuiguang (牛奎光), Mr. Li Jianguang (李建光) and Mr. Wang Jingbo (王靜波). Therefore, Tibet Jinkun and Mr. Niu Kuiguang are deemed to be interested in the Shares held by Zhuhai Shangshun for the purpose of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person (other than the Directors, Supervisors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

The Company has maintained liability insurance for the Directors, Supervisors and senior management to protect them from any legal liability to any third party arising from corporate activities. The permitted indemnity provision was in force during the year ended 31 December 2025 and remained in force as at the date of this annual report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group, or existed during the year ended 31 December 2025.

CHARITABLE DONATIONS

During the year ended 31 December 2025, the Group made charitable donations amounted to approximately RMB12 million.

MAJOR CUSTOMERS AND SUPPLIERS

Revenue attributable to the Group's five largest customers and the largest customer accounted for 18.22% and 6.40%, respectively, of the Group's total revenue for the year ended 31 December 2025.

Purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 13.21% and 4.65%, respectively, of the Group's total purchases for the year ended 31 December 2025.

None of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had any beneficial interest in the Group's five largest suppliers and customers for the year ended 31 December 2025.

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into certain transactions in the ordinary and normal course of business with connected persons of the Company, and the transactions disclosed in this section constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules upon Listing.

Procurement Framework Agreement with Luxshare Precision Industry

On 12 September 2025, the Company entered into the Procurement Framework Agreement with Luxshare Precision Industry, pursuant to which the Group would procure automotive parts and components from Luxshare Precision Industry and its associates from time to time. The initial term of the Procurement Framework Agreement with Luxshare Precision Industry commenced on the Listing Date and will end on 31 December 2027. Luxshare Precision Industry is an associate of Ms. Wang Laichun, a non-executive Director, and therefore a connected person of the Company under the Listing Rules.

The maximum annual transaction amounts under the Procurement Framework Agreement with Luxshare Precision Industry for each of the three years ending 31 December 2025, 2026 and 2027 shall not exceed RMB4,000 million, RMB6,000 million and RMB8,000 million, respectively.

The actual transactions conducted under the Procurement Framework Agreement with Luxshare Precision Industry for the year ended 31 December 2025 amounted to RMB2,490 million.

Procurement Framework Agreement with Wuhu Investment Holding

On 12 September 2025, the Company entered into the Procurement Framework Agreement with Wuhu Investment Holding, pursuant to which the Group would procure automotive parts and components from Wuhu Investment Holding and its associates from time to time. The initial term of the Procurement Framework Agreement with Wuhu Investment Holding commenced on the Listing Date and will end on 31 December 2027. Wuhu Investment Holding is a substantial shareholder of the Company and therefore a connected person of the Company under the Listing Rules.

The maximum annual transaction amounts under the Procurement Framework Agreement with Wuhu Investment Holding for each of the three years ending 31 December 2025, 2026 and 2027 shall not exceed RMB4,676.00 million, RMB5,581.00 million and RMB6,438.00 million, respectively.

The actual transactions conducted under the Procurement Framework Agreement with Wuhu Investment Holding for the year ended 31 December 2025 amounted to RMB2,378 million.

Continuing connected transactions reviewed by independent non-executive Directors

According to Rule 14A.55 of the Listing Rules, all independent non-executive Directors have reviewed the continuing connected transactions and confirmed that they are:

(1) entered into in the ordinary and usual business of the Group;

(2) conducted on normal commercial terms or better; and

(3) conducted in accordance with the respective terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation from the auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditor, Ernst & Young, was engaged by the Board to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised), "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

Based on the work performed, the auditor of the Company confirmed to the Board that nothing has come to the attention of the auditor that causes the auditor to believe that the above continuing connected transactions:

(1) have not been approved by the Board;

(2) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(4) have exceeded the annual cap as set by the Company.

RELATED PARTY TRANSACTIONS

Details of the related party transactions conducted by the Group during the year ended 31 December 2025 are set out in Note 42 to the consolidated financial statements. Save as disclosed above, the related party transactions set out in the note as mentioned above do not fall within the definition of "connected transaction" or "continuing connected transaction" under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the above continuing connected transactions.

MATERIAL LITIGATION

During the year ended 31 December 2025, the Group was not engaged in any material litigation or arbitration which could have a material effect on its financial condition or results of operations. So far as the Directors are aware, no such litigation or arbitration of material importance is pending or threatened against the Group.

AUDITORS

There has been no change in the auditor of the Company since the Listing Date. The consolidated financial statements for the year ended 31 December 2025 have been audited by Ernst & Young, Certified Public Accountants, which will be subject to nomination for reappointment at the 2025 AGM.

PUBLIC FLOAT

Based on the information that is publicly available and to the knowledge of the Directors, during the year ended 31 December 2025 and up to the date of this annual report, the Company maintained sufficient public float in compliance with the Listing Rules.

RELATIONSHIP WITH STAKEHOLDERS

Customers

The Group strives to satisfy customers' needs through stringent quality control embedded across the full lifecycle of product development, manufacturing and after-sales services. It has implemented a comprehensive quality management system based on internationally recognised standards, to ensure its passenger vehicles maintain high product quality. The Group adopts a proactive approach to after-sales services by addressing product defects in a timely manner and following up on customer feedback to ensure issues are properly resolved, thereby supporting high levels of customer satisfaction.

Suppliers

The Group maintains a broad and stable supplier base and procures a wide variety of raw materials, including steel products, seats, tires, battery cells and electronic components, and also engages overseas contract manufacturers to assemble KD kits for sales in overseas markets. The Group places strong emphasis on building a localised and stable supply chain and adopts a careful supplier selection process, taking into account price, quality, production capacity, financial condition, delivery arrangements, business scale and reputation.

Employees

The Group values its employees as key contributors to its success. Staff are recruited based on relevant industry experience, educational background, and current organisational needs. Employees receive competitive salaries and allowances, and are provided with mandatory social insurance as required by PRC social insurance regulations. The Group supports professional development through training in technical skills, industry standards, occupational health and safety, and legal compliance. It also promotes diversity and equal treatment in recruitment, training, and employee development. Additionally, the Group supports work-life balance and fosters a positive environment with equal job opportunities for all. The Group maintains positive working relationships with its employees and has not experienced any major labour disputes, strikes, or disruptions in operations during the year ended 31 December 2025.

EQUITY INCENTIVE SCHEME

2024 Equity Incentive Scheme

In order to incentivize and reward the key employees, senior management and Directors who have contributed to the success of the Group, the Group has operated share incentive arrangements. The 2024 Equity Incentive Scheme was adopted by the Company in March 2024, where two Management and Employee Stock Ownership Platforms were used as of the date of this report, namely Hengrui and Zhenrui, each of which held 184,292,800 Shares, representing approximately 3.17% of the share capital in issue of the Company as of the date of this report. Details are set out in Note 35 to the consolidated financial statements. As the 2024 Equity Incentive Scheme does not involve grant of any Shares after Listing, it is not subject to Chapter 17 of the Listing Rules. The Company will adopt other employee incentive arrangements from time to time to motivate, incentivize and reward its key employees, senior management and Directors in accordance with the Listing Rules as and when appropriate.

SOCIAL BENEFIT

The Group makes contributions to various social welfare schemes for its employees, including social insurance and housing provident funds, in line with applicable laws and regulations. These contributions cover five categories of insurance: basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance.

The employees of the Group's subsidiaries which operate in Chinese Mainland 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.

As at 31 December 2025, no forfeited contributions were available to reduce the existing level of contributions payable by the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to fostering sustainable practices, promoting social responsibility, and maintaining strong governance standards. The Group has established ESG policies that define risk governance for ESG matters. These include procedures for forming ESG strategies, managing and monitoring ESG risks (including climate-related risks), identifying key performance indicators, and measuring progress. The Group has a multi-level sustainable development governance structure from top to bottom, consisting of the governance layer, management layer, executive supervision layer, and execution layer.

The Company will issue separately its ESG Report in compliance with the Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules. The report presents the Company's commitment to sustainable development and covers the significant environmental and social achievements and impacts arising from the activities of the Group.

For and on behalf of the Board
Chery Automobile Co., Ltd.
Yin Tongyue
Chairman of the Board

Hong Kong, 18 March 2026

* For identification purposes only

REPORT OF THE SUPERVISORY COMMITTEE

In 2025, the Supervisory Committee of the Company strictly adhered to the provisions of the Company Law《公司法》, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited《香港聯合交易所有限公司證券上市規則》, and the Articles of Association《公司章程》. Upholding the principles of independence, objectivity, and prudence, the Supervisory Committee diligently fulfilled its supervisory duties. It focused its oversight efforts on the Company's listing process, operational management, financial operations, internal control system development, as well as the performance of directors and senior management. By doing so, it effectively safeguarded the legitimate rights and interests of the Company and all shareholders and ensured the Company's standardized operation and healthy development. The work of the Supervisory Committee for 2025 is hereby reported as follows:

I. OPERATIONS OF THE SUPERVISORY COMMITTEE IN 2025

In 2025, the Supervisory Committee of the Company continued to refine its supervisory functions in accordance with the law, standardizing all aspects of the Company's production and operations. All work was carried out smoothly and effectively. The Supervisory Committee closely aligned with the Company's strategic development direction and the requirements for the establishment of its oversight system, strengthened communication and coordination with the Board of Directors and the management, enhanced working liaison with the Company's audit and compliance departments, improved the forms of daily supervision and inspection, and continuously refined the oversight system of the Supervisory Committee; gave full play to its role, closely cooperated with the Board of Directors in implementing relevant resolutions, and ensured the smooth execution of relevant decisions.

In 2025, the Supervisory Committee of the Company convened five meetings as follows:

Supervisory Committee Meeting Session	Date	Approved Agenda Items
The 5th Meeting of the 5th Session of the Supervisory Committee	10 February 2025	Proposal regarding the Company's Application for the Issue of H Shares and Listing on the Main Board of The Stock Exchange of Hong Kong Limited《關於公司申請發行H股股票並於香港聯合交易所有限公司主板上市的議案》 Proposal regarding the Plan for the Company's Application for the Issue of H Shares and Listing on the Main Board of The Stock Exchange of Hong Kong Limited《關於公司申請發行H股股票並於香港聯合交易所有限公司主板上市方案的議案》 Proposal regarding the Conversion of the Company into a Joint Stock Company Limited with Overseas Listing《關於公司轉為境外募集股份有限公司的議案》 Proposal regarding the Plan for the Use of Proceeds from the Overseas Public Offering of H Shares《關於公司境外公開發行H股募集資金使用計劃的議案》 Proposal regarding the Application for Full Circulation of H Shares《關於申請H股全流通的議案》

Supervisory Committee Meeting Session	Date	Approved Agenda Items
		Proposal regarding the Distribution Plan for Accumulated Undistributed Profits Prior to the Application for Issuance of H Shares and Listing on the Main Board of The Stock Exchange of Hong Kong Limited (《關於申請發行H股股票並於香港聯合交易所有限公司主板上市前滾存未分配利潤分配方案的議案》) Proposal regarding the Confirmation of Engaging an Auditing Firm for the Issuance of H Shares and Application for Listing on the Main Board of The Stock Exchange of Hong Kong Limited (《關於確認聘請發行H股股票並申請在香港聯合交易所有限公司主板掛牌上市審計機構的議案》) Proposal regarding Purchasing Liability Insurance for the Company's Directors, Supervisors, and Senior Management, as Well as Liability Insurance for the Prospectus (《關於給公司董事、監事、高級管理人員購買責任保險及招股說明書責任保險的議案》) Proposal regarding the Formulation of the Rules of Procedure for the Supervisory Committee of Chery Automobile Co., Ltd. (Draft) Applicable after the H Share Issuance (《關於制定H股發行後適用的<奇瑞汽車股份有限公司監事會議事規則(草案)>的議案》) Proposal regarding the Revision of the Current Rules of Procedure for the Supervisory Committee of Chery Automobile Co., Ltd. (《關於修訂現行<奇瑞汽車股份有限公司監事會議事規則>的議案》)
The 6th Meeting of the 5th Session of the Supervisory Committee	1 April 2025	Proposal regarding External Investment and Related Transaction (《關於對外投資暨關聯交易的議案》)
The 7th Meeting of the 5th Session of the Supervisory Committee	19 April 2025	Proposal regarding the Final Financial Report for 2024 (《關於公司2024年度財務決算報告的議案》) 2024 Annual Internal Audit and Compliance Report of the Company (《公司2024年度內審與合規工作報告》) Proposal regarding the Profit Distribution Plan for 2024 (《關於公司2024年度利潤分配預案的議案》) Proposal regarding the Financial Budget Report for 2025 (《關於公司2025年度財務預算報告的議案》) Proposal on the 2024 Performance Results of the Company's Senior Management and the 2025 Company Performance Plan (《關於公司2024年高管績效結果與2025年公司績效方案的議案》) Proposal regarding the Implementation of Daily Related Transactions for 2024 and the Estimate for Daily Related Transactions for 2025 (《關於公司2024年度日常關聯交易執行情況及2025年度日常關聯交易預計的議案》)

Supervisory Committee Meeting Session	Date	Approved Agenda Items
		Proposal regarding the Company's Application for Credit Financing and Wealth Management Products from Financial Institutions for 2025 《關於公司2025年度向金融機構辦理授信融資及財富類產品的議案》 Proposal regarding the Provision of Guarantees for Subsidiaries and Related Parties for 2025 《關於公司2025年度對子公司及關聯公司提供擔保的議案》 Proposal regarding the Provision of Shareholder Deposit Support to Chery HuiYin Motor Finance Service Co., Ltd. 《關於向奇瑞徽銀汽車金融股份有限公司提供股東存款支持的議案》 Proposal regarding the Authorization of the Management to Conduct Foreign Exchange Derivative Transactions 《關於授權公司經營層開展外匯衍生品交易的議案》 Proposal regarding the Authorization of the Management to Conduct Bill Pool Business 《關於授權公司經營層開展票據池業務的議案》 Proposal regarding the Proposed Reduction of Shareholding in WLY 《關於擬減持萬里揚股票的議案》 Proposal regarding the Adjustment of Allowances for Independent Non-Executive Directors 《關於調整獨立非執行董事津貼的議案》 Work Report of the Board of Directors of the Company for 2024 《公司2024年度董事會工作報告》
The 8th Meeting of the 5th Session of the Supervisory Committee	30 September 2025	Proposal on the Unaudited Consolidated Financial Statements of the Company for the six months ended 30 June 2025 and the 2025 Interim Report of the Company 《關於公司截至2025年6月30日止六個月未經審核綜合財務報表及公司2025年中期報告的議案》 Proposal regarding Not Submitting a Plan for Distribution of Any 2025 Interim Dividends to General Meetings 《關於不向股東會提呈派發公司任何2025年中期股息方案的議案》
The 9th Meeting of the 5th Session of the Supervisory Committee	31 October 2025	Proposal regarding the Company's 2025 Q3 Report 《關於公司<2025年第三季度報告>的議案》

II. SUPERVISORY OPINIONS ON RELEVANT MATTERS OF THE COMPANY FOR 2025

In 2025, the Supervisory Committee supervised the Company's various decision-making processes by attending Board meetings as non-voting attendees and participating in general meetings. It offered reasonable suggestions on significant matters discussed at such meetings and effectively oversaw the Company's compliance with laws in its operations, as well as its financial position and connected transactions, giving full play to its crucial role.

(I) The Company's Compliance with Laws in Its Operations

The Supervisory Committee is of the opinion that: The Board operated in a standardized manner throughout 2025, with all decision-making procedures being legal and valid, and diligently implemented the resolutions passed by the general meetings. The directors and senior management of the Company performed their duties diligently and responsibly, strictly adhering to their statutory authority and established procedures. They actively advanced the Company's listing process and various operational and development tasks. There were no instances of duty-related violations or actions that prejudiced the interests of the Company or its shareholders.

(II) Financial Position of the Company

In 2025, the Supervisory Committee continued to focus on the Company's financial position. It is of the opinion that the Company has a sound financial system and standardized financial operations. The financial reports for 2025 truly, accurately and objectively reflected the financial position and operating results of the Company. The audit opinion issued by Ernst & Young and its evaluation of relevant matters are objective and fair.

(III) Connected Transactions

The Supervisory Committee, through continuous supervision of the Company's connected transactions, is of the opinion that the decision-making procedures for the connected transactions entered into by the Company are in compliance with the relevant laws, regulations and the Articles of Association of the Company. Such transactions are priced on an arm's length basis and at fair market value, and do not violate the principles of openness, fairness and impartiality. The deliberation and voting procedures are lawful and valid, and there are no circumstances impairing the interests of the Company and its shareholders.

(IV) Implementation of Internal Control Systems

The Supervisory Committee is of the opinion that the Company's internal control systems have been gradually improved, and the existing internal control systems follow national laws, regulations and listing compliance requirements.

III. OUTLOOK FOR 2026

In 2026, the Supervisory Committee will continue to strengthen compliance supervision and strictly follow the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association, supervise the Company's core matters including information disclosure, connected transactions and financial operations to safeguard the Company's compliant operations; strengthen the regular supervision over the performance of duties by directors and senior management, standardize their conduct in performing duties, and protect the legitimate rights and interests of the Company and all shareholders; enhance the professional capacity building of Supervisors, continuously study the Hong Kong Stock Exchange regulatory rules, and improve supervision capabilities to better perform its supervision duties.

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Chery Automobile Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Chery Automobile Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 69 to 168, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

Revenue recognition

In 2025, the Group recorded a total revenue of RMB300,287 million in the consolidated financial statements, of which the sales of passenger vehicles, automotive parts and components contributed RMB294,077 million, representing an increase of RMB31,391 million or 12% as compared to the relevant sales of RMB262,686 million in 2024.

Revenue from sales of passenger vehicles, automotive parts and components, derived from diverse customer types and revenue streams, is financially significant to the consolidated financial statements and represents a key performance indicator for management. Inappropriate revenue recognition could have a material effect on the financial statements. Therefore, revenue recognition has been identified as a key audit matter.

Details of revenue recognition are disclosed in Note 2.4 "MATERIAL ACCOUNTING POLICIES", Note 3 "SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES", and Note 5 "REVENUE, OTHER INCOME AND GAINS" to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures performed on revenue recognition of the Group included, among others:

- We understood, assessed and tested the effectiveness of the design and operation of internal controls related to revenue recognition on sales of passenger vehicles, automobile parts and components revenue streams;
- On a sample basis, we reviewed the relevant terms of sales contracts for the respective revenue streams, assessed the appropriateness of the accounting policy on revenue recognition;
- On a sample basis, we tested sales transaction by checking the sales orders, receipt documents, export declarations, sale invoices, and other supporting documents;
- On a sample basis, we performed revenue cut-off testing for transactions recorded before and after the balance sheet date, evaluated whether relevant revenue was recognized in the appropriate accounting period;
- We conducted analytical review procedures to analyze the reasonableness of the fluctuation in revenues and gross profit margin;
- We performed post-period testing, including inquiries of management and review of post-period sales records, to identify whether there were any significant post-period sales returns;
- We assessed the adequacy and appropriateness of the disclosures on revenue made in the consolidated financial statements.

Warranty provisions

As of 31 December 2025, the balance of warranty provisions for passenger vehicles sold in the consolidated statement of financial position of the Group amounted to RMB10,739 million.

The Group estimated the expenditures expected to be incurred in fulfilling the quality assurance obligations and recognise warranty expenses and the corresponding provisions. The accrual of warranty provisions is primarily based on historical claim experience and actual repair costs, estimating future claims expected to be made on vehicles currently within their warranty period. The estimation of the warranty provisions involves multiple assumptions and significant management judgments, and changes in these assumptions could have a material impact on the financial statements. Therefore, the warranty provisions are identified as a key audit matter.

Details of the warranty provisions are disclosed in Note 3 "SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES", Note 6 "PROFIT BEFORE INCOME TAX", and Note 33 "PROVISION" to the consolidated financial statements.

Our audit procedures performed on warranty provisions of the Group included, among others:

- We understood, assessed and tested the effectiveness of the design and operation of the internal controls related to warranty provisions;
- We assessed the appropriateness of the warranty provision methodology adopted by the management, with reference to the terms of the warranty manuals and warranty services agreements;
- We compared volume of the respective vehicle models used in warranty provisions calculation to the sales records, and assessed the appropriateness of the number of vehicles under warranty at the period-end based on the warranty terms the Group provided;
- On a sample basis, we performed sample test on warranty expenditures incurred during the year;
- We performed analytical procedures on historical actual claims, and evaluated the reasonableness of the assumptions and estimates made in the warranty provisions calculation;
- We tested the mathematical accuracy of calculations therein by re-performing the calculations;
- We assessed the adequacy and appropriateness of the disclosures on warranty provisions made in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho, Siu Fung, Terence (practising certificate number: P04202).

Ernst & Young
Certified Public Accountants

Hong Kong
18 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
REVENUE	5	**300,287**	269,897
Cost of sales		**(258,844)**	(233,589)
Gross profit		**41,443**	36,308
Other income and gains	5	**11,211**	6,251
Selling and distribution expenses		**(11,109)**	(8,380)
Administrative expenses		**(6,137)**	(5,999)
Research and development expenses		**(11,444)**	(9,243)
Impairment (losses)/gains on financial and contract assets, net		**(189)**	258
Other expenses		**(257)**	(1,719)
Finance costs	7	**(2,096)**	(2,310)
Share of profits and losses of:			
Joint ventures		**1,116**	851
Associates		**463**	595
PROFIT BEFORE TAX	6	**23,001**	16,612
Income tax expense	10	**(3,494)**	(2,278)
PROFIT FOR THE YEAR		**19,507**	14,334
Attributable to:			
Owners of the parent		**19,019**	14,135
Non-controlling interests		**488**	199
		19,507	14,334
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic (RMB)			
– For profit for the year		**3.43**	2.58
Diluted (RMB)			
– For profit for the year		**3.43**	2.58

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 RMB million	2024 RMB million
PROFIT FOR THE YEAR	**19,507**	14,334
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,050)**	131
Share of other comprehensive income of joint ventures and associates	**(17)**	(12)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**(1,067)**	119
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	**(7)**	52
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(7)**	52
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(1,074)**	171
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**18,433**	14,505
Attributable to:		
Owners of the parent	**17,945**	14,306
Non-controlling interests	**488**	199
	18,433	14,505

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB million	2024 RMB million
NON-CURRENT ASSETS			
Property, plant and equipment	13	**30,090**	23,443
Right-of-use assets	14(a)	**5,394**	3,350
Other intangible assets	15	**4,878**	2,057
Investments in joint ventures	16	**11,487**	9,793
Investments in associates	17	**6,357**	6,364
Equity investments designated at fair value through other comprehensive income	18	**296**	313
Prepayments, other receivables and other assets	19	**1,355**	839
Financial assets at fair value through profit or loss	20	**310**	61
Derivative financial instruments	28	**508**	–
Trade receivables	22	**1,371**	–
Deferred tax assets	31	**6,689**	5,131
Time deposits	25(c)	**–**	244
Total non-current assets		**68,735**	51,595
CURRENT ASSETS			
Inventories	21	**36,752**	36,324
Trade receivables	22	**32,511**	17,423
Bills receivables	23	**251**	774
Prepayments, other receivables and other assets	19	**14,009**	10,505
Prepaid income tax		**747**	162
Financial assets at fair value through profit or loss	20	**32,219**	19,579
Derivative financial instruments	28	**51**	–
Financial assets at fair value through other comprehensive income	24	**2,327**	7,547
Time deposits	25(c)	**12,040**	7,319
Restricted bank deposits	25(b)	**12,750**	75
Cash and cash equivalents	25(a)	**46,955**	62,693
Total current assets		**190,612**	162,401
CURRENT LIABILITIES			
Trade and bills payables	26	**110,213**	101,496
Other payables and accruals	27	**31,090**	22,437
Derivative financial instruments	28	**23**	–
Interest-bearing bank loans and other borrowings	29	**11,991**	20,068
Lease liabilities	14(b)	**606**	366
Tax payable		**3,445**	3,120
Contract liabilities	30	**19,788**	15,319
Provision	33	**3,549**	2,816
Deferred income	32	**239**	180
Total current liabilities		**180,944**	165,802
NET CURRENT ASSETS/(LIABILITIES)		**9,668**	(3,401)
TOTAL ASSETS LESS CURRENT LIABILITIES		**78,403**	48,194

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025	2024
		RMB million	RMB million
NON-CURRENT LIABILITIES			
Other payables and accruals	27	**4,885**	4,854
Interest-bearing bank loans and other borrowings	29	**3,933**	3,098
Lease liabilities	14(b)	**3,529**	1,953
Deferred tax liabilities	31	**489**	231
Deferred income	32	**7,341**	5,283
Provision	33	**7,428**	6,851
Total non-current liabilities		**27,605**	22,270
Net assets		**50,798**	25,924
EQUITY			
Equity attributable to owners of the parent			
Share capital	34	**5,809**	5,470
Reserves	36	**44,948**	21,018
		50,757	26,488
Non-controlling interests		**41**	(564)
Total equity		**50,798**	25,924

Yin Tongyue

Director

Zhang Guozhong

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB million (note 34)	Other comprehensive income* RMB million	Share-based compensation* RMB million	Capital and other reserves* RMB million (note 36)	Exchange fluctuation reserve* RMB million	Surplus reserves* RMB million (note 36)	Accumulated retained profits* RMB million	Total RMB million	Non-controlling interests RMB million	Total equity 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 year	–	–	–	–	–	–	19,019	19,019	488	19,507
Other comprehensive income for the year:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	(7)	–	–	–	–	–	(7)	–	(7)
Share of other comprehensive income of joint ventures and associates	–	(17)	–	–	–	–	–	(17)	–	(17)
Exchange differences on translation of foreign operations	–	–	–	–	(1,050)	–	–	(1,050)	–	(1,050)
Total comprehensive income for the year	–	(24)	–	–	(1,050)	–	19,019	17,945	488	18,433
Issuance of shares upon the initial public offering (the "IPO") and the exercise of the over-allotment option	339	–	–	9,016	–	–	–	9,355	–	9,355
Disposal of interests in subsidiaries without losing control	–	–	–	285	–	–	–	285	(275)	10
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	297	297
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(111)	(111)
Share-based compensation	–	–	527	–	–	–	–	527	–	527
Share of other reserves of joint ventures and associates	–	–	–	26	–	–	–	26	–	26
Capital contribution from non-controlling shareholders	–	–	–	24	–	–	–	24	163	187
Transfer to safety production reserve	–	–	–	66	–	–	(66)	–	–	–
Contribution from the shareholders	–	–	–	100	–	–	–	100	43	143
Transfer from retained profits	–	–	–	–	–	312	(312)	–	–	–
Dividend declared	–	–	–	–	–	–	(3,993)	(3,993)	–	(3,993)
At 31 December 2025	5,809	(45)	2,543	21,484	(1,333)	2,904	19,395	50,757	41	50,798

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital RMB million (note 34)	Other comprehensive income* RMB million	Share-based compensation* RMB million	Capital and other reserves* RMB million (note 36)	Exchange fluctuation reserve* RMB million	Surplus reserves* RMB million (note 36)	Accumulated (loss)/retained profits* RMB million	Total RMB million	Non-controlling interests RMB million	Total equity 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

* These reserve accounts comprise the consolidated other reserves of RMB44,948 million (2024: RMB21,018 million) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**23,001**	16,612
Adjustments for:			
Finance costs	7	**2,096**	2,310
Share of profits and losses of joint ventures and associates		**(1,579)**	(1,446)
Depreciation and amortisation of non-current assets	6	**4,422**	3,849
Gain on disposal of items of property, plant and equipment	5	**(57)**	(59)
Fair value gains on derivative financial instruments	5	**(28)**	(52)
Fair value gains on financial assets at fair value through profit or loss	5	**(290)**	(69)
Provision for impairment of assets	6	**386**	1,193
Other income from investing activities		**(846)**	(1,100)
Assets-related government grants released		**(242)**	(163)
Share-based compensation		**527**	2,016
Effect of foreign exchange rate changes, net		**314**	193
		27,704	23,284
(Increase)/decrease in restricted bank deposits		**(10,996)**	512
Decrease/(increase) in inventories		**1,194**	(7,519)
Increase in trade receivables		**(17,555)**	(2,740)
Decrease in bills receivables		**462**	10,081
Decrease in contract assets		**–**	479
Increase in prepayments, other receivables and other assets		**(3,024)**	(1,697)
Decrease/(increase) in financial assets at fair value through other comprehensive income		**5,200**	(3,109)
Increase in capitalised development expenditures		**–**	(1,301)
Increase in trade and bills payables		**8,564**	23,490
Increase in other payables and accruals		**6,114**	313
Increase in deferred income		**2,169**	3,727
Increase/(decrease) in contract liabilities		**4,310**	(3,295)
Increase in provision		**1,018**	3,952
Cash generated from operations		**25,160**	46,177
Income tax paid		**(5,030)**	(1,290)
Net cash flows from operating activities		**20,130**	44,887

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Note	2025 RMB million	2024 RMB million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(11,061)	(7,305)
Purchases of other intangible assets		(3,593)	(319)
Receipt of government grants for non-current assets		592	623
Additions to right-of-use assets		(218)	(57)
Repayments of related parties		–	13,716
Placement of time deposits		(46,792)	(34,866)
Maturity of time deposits		42,315	32,301
Recovery of debt investments		–	380
Purchases of financial assets at fair value through profit or loss, net		(11,659)	(7,120)
Proceeds on disposal of items of property, plant and equipment		310	305
Proceeds on disposal of other intangible assets		–	2
Proceeds on disposal of equity investments designated at fair value through other comprehensive income		–	68
Settlement on derivative financial instruments		108	(270)
Investments in joint ventures and associates		(1,232)	(493)
Proceeds on disposal of investments in joint ventures and associates		301	33
Disposal of subsidiaries		140	179
Acquisition of subsidiaries		352	(800)
Interest received		241	233
Dividends received		148	213
Net cash flows used in investing activities		(30,048)	(3,177)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares upon the IPO and the exercise of the over-allotment option		9,540	–
Payments of listing expenses		(185)	–
Proceeds from interest-bearing bank loans and other borrowings		20,625	34,024
Repayments of interest-bearing bank loans and other borrowings		(29,785)	(47,990)
Interest paid for interest-bearing bank loans and other borrowings		(1,814)	(1,900)
Disposal of interests in subsidiaries without losing control		10	–
Acquisition of non-controlling interests		–	(117)
Lease payments		(512)	(199)
Proceeds from long-term payables		771	1,623
Repayments of long-term payables		(726)	(552)
Capital contribution from non-controlling shareholders		130	40
Dividends paid		(3,993)	–
Contribution from shareholders		–	1,288
Net cash flows used in financing activities		(5,939)	(13,783)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB million	2024 RMB million
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(15,857)**	27,927
Cash and cash equivalents at beginning of year		**62,693**	35,048
Effect of foreign exchange rate changes, net		**119**	(282)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**46,955**	62,693
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**71,745**	70,331
Less: Time deposits	25(c)	**(12,040)**	(7,563)
Less: Restricted bank deposits	25(b)	**(12,750)**	(75)
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows		**46,955**	62,693

1. CORPORATE AND GROUP INFORMATION

Chery Automobile 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 year, 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 mentioned thereafter, 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 which, the shares of the Company directly held by Chery Holding were transferred to the shareholders of Chery Holding on a pro rata basis. Upon completion of the equity transfer on January 20, 2025, Chery Holding no longer holds any shares in the Company, and the Company has neither holding company nor ultimate holding company.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") effective from 25 September 2025.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

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)	Chinese mainland 14 August 2000	RMB3,000 million	100	–	Sales of passenger vehicles
JSC Chery Automobile RUS	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)	Chinese mainland 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)	Chinese mainland 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)	Chinese mainland 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)	Chinese mainland 28 April 2017	RMB2,000 million	100	–	Sales of passenger vehicles

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

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	
Soueast Motor Corporation Ltd.* (東南(福建)汽車工業股份有限公司)	Chinese mainland 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)	Chinese mainland 18 November 2015	RMB1,000 million	–	48.20	Sales of passenger vehicles

* 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 year 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.

2.1 BASIS OF PREPARATION

These financial statements have 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 Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have 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. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest million (RMB million) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2025. 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).

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

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

HKFRS 18	*Presentation and Disclosure in Financial Statements*[2]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

[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

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 Translation to a Hyperinflationary Presentation Currency require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of HKAS 29 Financial Reporting in Hyperinflationary Economies, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

- HKFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- HKAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations other than under common control and goodwill (continued)

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 reporting 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements 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 financial statements 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 reporting period.

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 reporting period 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

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 recognized 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 recognized 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 each reporting date, 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 that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

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.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

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, and interest-bearing bank loans and other borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

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

After initial recognition, trade and bills payables, other payables and accruals, interest-bearing bank loans 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 reporting period, 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 reporting period 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward 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 carry forward 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 reporting period 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 reporting period 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 reporting period.

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(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).

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 35 to the financial statements.

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 Chinese mainland 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.

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 financial statements. 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

These financial statements are 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 reporting 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 financial statements 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 financial statements:

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, 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 reporting period. 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 31 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. 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 reporting period, 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

	2025	2024
	RMB million	RMB million
PRC (including Hong Kong, Macau and Taiwan)	**142,868**	169,000
Other countries/regions	**157,419**	100,897
Total revenue	**300,287**	269,897

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

(b) Non-current assets

	2025	2024
	RMB million	RMB million
PRC (including Hong Kong, Macau and Taiwan)	**58,662**	45,142
Other countries/regions	**899**	637
Total non-current assets	**59,561**	45,779

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

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's total revenue for the year ended 31 December 2025 (2024: nil).

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB million	2024 RMB million
Revenue from contracts with customers	**300,287**	269,897

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB million	2024 RMB million
Types of goods or services		
Passenger vehicles	**272,352**	246,822
Automotive parts and components	**21,725**	15,864
Others	**6,210**	7,211
Total	**300,287**	269,897
Timing of revenue recognition		
Transferred at a point in time	**299,973**	269,676
Transferred over time	**314**	221
Total	**300,287**	269,897

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

	2025 RMB million	2024 RMB million
Sales of goods or services	**14,902**	18,589

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(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.

	2025	2024
	RMB million	RMB million
Other income		
Bank interest income	**918**	960
Additional deduction for value-added tax	**993**	762
Research and development subsidies	**434**	765
Other subsidies	**1,124**	1,092
Investment income	**1,449**	1,085
Others	**2,157**	1,407
Sub-total other income	**7,075**	6,071
Gains		
Gain on disposal of items of property, plant and equipment	**57**	59
Gain on disposal of certain distribution network	**1,051**	–
Fair value gains on derivative financial instruments, net	**28**	52
Fair value gains on financial assets at fair value through profit or loss	**290**	69
Foreign exchange gains, net	**2,710**	–
Sub-total gains	**4,136**	180
Total other income and gains	**11,211**	6,251

6. PROFIT BEFORE TAX

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

	Notes	2025 RMB million	2024 RMB million
Cost of inventories sold*		**257,775**	231,316
Depreciation of property, plant and equipment	13	**3,204**	2,864
Amortisation of other intangible assets	15	**817**	672
Depreciation of right-of-use assets	14(a)	**401**	313
Research and development costs*		**11,444**	9,243
Lease payments not included in the measurement of lease liabilities	14(c)	**176**	151
Auditor's remuneration		**7**	12
Employee benefit expense (excluding directors' and supervisors' remuneration)			
Wages and salaries		**12,958**	9,665
Pension scheme contributions		**1,117**	652
Share-based compensation		**498**	1,988
Impairment of financial assets and contract assets, net:			
Impairment of trade receivables, net	22	**175**	15
Reversal of impairment provision of contract assets, net		**–**	(24)
Impairment/(reversal of impairment provision) of financial assets included in prepayments, other receivables and other assets, net	19	**14**	(249)
Written-down of inventories to net realisable value, net		**149**	982
Warranty provisions, net	33	**6,264**	7,477
Impairment of an investment in an associate **		**–**	336
Impairment of items of property, plant and equipment	13	**48**	133
Foreign exchange gains/(losses), net		**2,710**	(851)
Dividend income from equity investments at fair value through other comprehensive income ***		**13**	32
Gain on bargain purchase ****		**–**	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:

	2025 RMB million	2024 RMB million
Interest expenses on bank loans and other borrowings	1,761	1,919
Interest on long-term liabilities	212	290
Interest on lease liabilities	123	101
Total	2,096	2,310

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and Supervisors' remuneration for the year, 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:

	2025 RMB thousand	2024 RMB thousand
Fees	1,914	1,374
Other emoluments:		
Salaries, allowances and benefits in kind	6,517	9,175
Performance related bonuses*	8,666	13,772
Share-based compensation expenses	29,245	28,142
Pension scheme contributions	124	225
Sub-total	44,552	51,314
Total	46,466	52,688

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

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

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 35 to the financial statements. 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 financial statements for the year ended 31 December 2025 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 year were as follows:

	2025	2024
	RMB thousand	RMB thousand
Mr. Shang Wenjiang	**225**	90
Mr. Yang Mianzhi	**225**	90
Mr. Ye Shengji	**225**	90
Mr. Lu Feng	**225**	90
Mr. Yang Shanlin (i)	**–**	90
Mr. Lai Ni Hium, Frank (ii)	**210**	–
Ms. Shi Qin (iii)	**10**	90
Total	**1,120**	540

(i) Mr. Yang Shanlin declared in June 2025 that he waived all allowances while serving as an independent non-executive director.

(ii) Mr. Lai Ni Hium, Frank was appointed as an independent non-executive director of the Company in February 2025.

(iii) Ms. Shi Qin resigned as an independent non-executive director of the Company in January 2025.

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

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

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

	Fees RMB thousand	Salaries, allowances and benefits in kind RMB thousand	Performance related bonuses RMB thousand	Share-based compensation expenses RMB thousand	Pension scheme contributions RMB thousand	Total remuneration RMB thousand
Year ended 31 December 2025						
Executive director:						
Mr. Yin Tongyue	–	3,007	2,225	–	41	5,273
Mr. Zhang Guozhong (i)	–	2,704	5,353	28,876	41	36,974
Sub-total		5,711	7,578	28,876	82	42,247
Non-executive directors:						
Ms. Wang Laichun	120	–	–	–	–	120
Ms. Li Jing (ii)	120	–	–	–	–	120
Mr. Yin Xiangling (iii)	105	–	–	–	–	105
Mr. Xing Hui (iv)	10	–	–	–	–	10
Mr. Wang Jinhua (v)	120	–	–	–	–	120
Mr. Wang Xiaowei (vi)	105	–	–	–	–	105
Mr. Wang Zhaohui (vii)	10	–	–	–	–	10
Mr. Hu Jingyuan (viii)	120	–	–	–	–	120
Mr. Bao Siyu (ix)	–	–	–	–	–	–
Sub-total	710	–	–	–	–	710
Supervisors:						
Mr. Wu Yunfei	84	–	–	–	–	84
Mr. Xu Hui (x)	–	–	–	–	–	–
Mr. Cai Changfeng (xi)	–	806	1,088	369	42	2,305
Sub-total	84	806	1,088	369	42	2,389
Total	794	6,517	8,666	29,245	124	45,346

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

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

	Fees RMB thousand	Salaries, allowances and benefits in kind RMB thousand	Performance related bonuses RMB thousand	Share-based compensation expenses RMB thousand	Pension scheme contributions RMB thousand	Total remuneration RMB thousand
Year ended 31 December 2024						
Executive director:						
Mr. Yin Tongyue	–	3,013	3,946	–	41	7,000
Mr. Zhang Guozhong (i)	–	2,881	5,668	26,470	41	35,060
Sub-total	–	5,894	9,614	26,470	82	42,060
Non-executive directors:						
Ms. Wang Laichun	90	–	–	–	–	90
Mr. Yi Lei (xii)	30	–	–	–	–	30
Mr. Xing Hui (iv)	120	–	–	–	–	120
Mr. Wang Jinhua (v)	120	–	–	–	–	120
Mr. Wang Laisheng (xiii)	30	–	–	–	–	30
Mr. Wang Zhaohui (vii)	120	–	–	–	–	120
Mr. Hu Jingyuan (viii)	120	–	–	–	–	120
Ms. Li Jing (ii)	90	–	–	–	–	90
Ms. Liu Ling (xiv)	30	–	–	–	–	30
Mr. Bao Siyu (ix)	–	–	–	–	–	–
Sub-total	750	–	–	–	–	750
Supervisors:						
Mr. Wu Yunfei	84	–	–	–	–	84
Mr. Xu Hui (x)	–	–	–	–	–	–
Mr. Cai Changfeng (xi)	–	806	1,691	308	32	2,837
Mr. Zhang Jinsong (xv)	–	786	–	615	70	1,471
Mr. Hong Gaoming (xvi)	–	1,689	2,467	749	41	4,946
Sub-total	84	3,281	4,158	1,672	143	9,338
Total	834	9,175	13,772	28,142	225	52,148

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (continued)

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

(i) Mr. Zhang Guozhong was appointed as executive director of the Company in March 2024.

(ii) Ms. Li Jing was appointed as non-executive directors of the Company by Luxshare Limited in March 2024.

(iii) 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.

(iv) Mr. Xing Hui was appointed by Wuhu Investment Holding, a shareholder with significant influence over the Group, 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.

(v) 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.

(vi) 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.

(vii) 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 Credit Guaranty.

(viii) 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.

(ix) 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 reporting periods.

(x) 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 reporting periods.

(xi) Mr. Cai Changfeng was appointed as a supervisor of the Company in March 2024.

(xii) Mr. Yi Lei was appointed as non-executive director of the Company by Luxshare Limited in May 2023 and resigned in March 2024.

(xiii) Mr. Wang Laisheng was appointed as non-executive director of the Company by Luxshare Limited in May 2022 and resigned in May 2024.

(xiv) 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.

(xv) Mr. Zhang Jinsong was appointed as a supervisor of the Company in December 2021 and resigned in March 2024.

(xvi) Mr. Hong Gaoming was appointed as a supervisor of the Company in April 2022 and resigned in March 2024.

* 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 highest paid employees during the year included one executive director (2024: one executive director), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor supervisor executive of the Company are as follows:

	2025	2024
	RMB thousand	RMB thousand
Salaries, allowances and benefits in kind	**9,517**	7,333
Performance related bonuses	**27,731**	4,841
Share-based compensation expenses	**60,239**	116,616
Pension scheme contributions	**166**	151
Total	**97,653**	128,941

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

	Number of employees	
	2025	2024
HK$14,000,001 to HK$14,500,000	**1**	–
HK$17,500,001 to HK$18,000,000	**1**	–
HK$29,000,001 to HK$29,500,000	**1**	1
HK$31,500,001 to HK$32,000,000	**–**	1
HK$39,000,001 to HK$39,500,000	**–**	1
HK$41,000,001 to HK$41,500,000	**–**	1
HK$45,000,001 to HK$45,500,000	**1**	–
Total	**4**	4

During the year ended 31 December 2024, 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 35 to the financial statements. 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 financial statements for the current year 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 2023, Chery Automobile Co., Ltd. was recognized as a "High and New Technology Enterprise" ("HNTE"), therefore can enjoy the 15% preferential income tax rate in 2023 to 2025.

10. INCOME TAX (Continued)

PRC corporate income tax (Continued)

In 2024, Chery New Energy Automobile Co., Ltd was recognized as a HNTE, therefore 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.

Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the year at the respective rates prevailing in the relevant jurisdictions, which are ranging from 16.5% – 30%.

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

	2025	2024
	RMB million	RMB million
Current income tax	**4,770**	3,486
Deferred income tax (note 31)	**(1,276)**	(1,208)
Total	**3,494**	2,278

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:

	2025	2024
	RMB million	RMB million
Profit before income tax	**23,001**	16,612
Tax at PRC statutory tax rate of 25%	**5,750**	4,153
Effect of preferential or different tax rate	**(2,345)**	(1,660)
Adjustments in respect of current tax of previous years	**19**	15
Income not subject to tax	**(270)**	(331)
Expenses not deductible for tax	**164**	439
Effect of super deduction for research and development costs	**(1,538)**	(1,153)
Utilization/recognition of unrecognized tax losses and temporary differences from prior years	**(442)**	(659)
Unrecognized temporary differences and tax losses	**2,091**	1,629
Withholding tax on dividends of overseas subsidiaries	**65**	(155)
Tax charge at the Group's effective rate	**3,494**	2,278

The share of tax attributable to associates and to joint ventures amounting to RMB478 million (2024: RMB290 million), is included in "Share of profits and losses of joint ventures and associates" in the consolidated statement of profit or loss.

10. INCOME TAX (Continued)

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 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

	2025	2024
	RMB million	RMB million
Interim	**3,993**	–
Proposed final – RMB0.86 per ordinary share	**5,000**	–

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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 outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the year.

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

	2025	2024
	RMB million	RMB million
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:	**19,019**	14,135

	Number of shares	
	2025	2024
	million	million
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**5,552**	5,470

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB million	Freehold lands RMB million	Machinery and molds RMB million	Electronic equipments and others RMB million	Vehicles RMB million	Leasehold improvements RMB million	Construction in progress RMB million	Total RMB million
As at 31 December 2025								
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	5,784	91	13,151	515	198	53	3,651	23,443
As at 1 January 2025, net of accumulated depreciation and impairment	5,784	91	13,151	515	198	53	3,651	23,443
Additions	1,190	–	2,182	21	99	72	6,838	10,402
Acquisition of a subsidiary	7	–	–	1	–	–	–	8
Disposal	(28)	–	(89)	(11)	(76)	(2)	(48)	(254)
Disposal of subsidiaries	(4)	–	(233)	(13)	(5)	–	(42)	(297)
Depreciation	(407)	–	(2,523)	(150)	(71)	(53)	–	(3,204)
Impairment	(1)	–	(45)	(1)	(1)	–	–	(48)
Transfers	1,688	–	4,105	190	48	68	(6,099)	–
Exchange realignment	4	6	7	10	15	–	(2)	40
As at 31 December 2025, net of accumulated depreciation and impairment	8,233	97	16,555	562	207	138	4,298	30,090
As at 31 December 2025:								
Cost	11,308	97	28,998	1,197	362	189	4,353	46,504
Accumulated depreciation and impairment	(3,075)	–	(12,443)	(635)	(155)	(51)	(55)	(16,414)
Net carrying amount	8,233	97	16,555	562	207	138	4,298	30,090

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings RMB million	Freehold lands RMB million	Machinery and molds RMB million	Electronic equipments and others RMB million	Vehicles RMB million	Leasehold improvements RMB million	Construction in progress RMB million	Total RMB million
As at 31 December 2024								
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	4,905	–	8,230	269	135	6	5,423	18,968
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	4	6	2	(4)	(6)	–	–	2
As at 31 December 2024, net of accumulated depreciation and impairment	5,784	91	13,151	515	198	53	3,651	23,443
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	5,784	91	13,151	515	198	53	3,651	23,443

As at 31 December 2025, certain of the Group's buildings with an aggregate net carrying value of approximately RMB2,139 million (31 December 2024: 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 2025, certain of the Group's buildings, machineries and construction in progress with aggregate net carrying values of approximately RMB266 million, RMB643 million and nil (31 December 2024: RMB250 million, RMB183 million and RMB21 million) respectively were mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

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

	Leasehold land RMB million	Buildings RMB million	Machinery RMB million	Vehicles and others RMB million	Total RMB million
As at 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	**218**	**2,119**	**175**	**–**	**2,512**
Depreciation	**(46)**	**(320)**	**(34)**	**(1)**	**(401)**
Early cancellation of leases	**–**	**(20)**	**–**	**–**	**(20)**
Disposal of subsidiaries	**–**	**(63)**	**–**	**–**	**(63)**
Exchange realignment	**–**	**16**	**–**	**–**	**16**
As at 31 December 2025	**1,453**	**3,690**	**251**	**–**	**5,394**

As at 31 December 2025, certain of the Group's leasehold land with an aggregate net carrying value of approximately RMB436 million (31 December 2024: RMB324 million), did not have land use right certificates registered under the names of the respective subsidiaries of the Group.

As at 31 December 2025, certain of the Group's leasehold land with aggregate net carrying values of approximately RMB84 million (31 December 2024: RMB86 million), were pledged as collateral for bank loans.

14. LEASES (continued)

(b) Lease liabilities

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

	2025 RMB million	2024 RMB million
Carrying amount at the beginning of the year	**2,319**	521
New leases	**2,294**	1,918
Additions as a result of acquisition of subsidiaries	**–**	22
Accretion of interest recognised during the year	**123**	101
Payments	**(512)**	(199)
Early cancellation of leases	**(20)**	(10)
Disposal of subsidiaries	**(69)**	(23)
Exchange realignment	**–**	(11)
Carrying amount at the end of the year	**4,135**	2,319
Analysed into:		
Current portion	**606**	366
Non-current portion	**3,529**	1,953

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

	2025 RMB million	2024 RMB million
Chery Holding Group Co., Ltd.** and its subsidiaries, joint ventures and associates	**146**	161
Associates and their subsidiaries	**15**	48
Ruichuang* and its subsidiaries	**6**	2
Total	**167**	211

* Wuhu Ruichuang Investment Co., Ltd. ("Ruichuang") is a shareholder of the Company. For further information, refer to note 35(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 December 2025 is disclosed to maintain consistency in disclosure during the Reporting Periods. The same practice is adopted in disclosure of other notes where balances or amounts with Chery Holding Group Co., Ltd. is disclosed.

The maturity analysis of lease liabilities is disclosed in note 45 to the financial statements.

14. LEASES (continued)

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

	2025 RMB million	2024 RMB million
Interest on lease liabilities	123	101
Depreciation of right-of-use assets	401	313
Expense relating to short-term leases and leases of low-value assets	176	151
Total amount recognised in profit or loss	700	565

(d) The total cash outflow for leases is disclosed in note 39(c) to the financial statements.

15. OTHER INTANGIBLE ASSETS

	Patents RMB million	Capitalised development expenditures RMB million	Software RMB million	Total RMB million
31 December 2025				
At 1 January 2025, net of accumulated amortisation	1,130	632	295	2,057
Additions	32	3,271	349	3,652
Transfers	1,013	(1,013)	–	–
Amortisation	(581)	–	(236)	(817)
Disposal of subsidiaries	–	–	(13)	(13)
Disposal	–	–	(1)	(1)
At 31 December 2025, net of accumulated amortisation and impairment	1,594	2,890	394	4,878
As at 31 December 2025:				
Cost	4,648	2,890	1,364	8,902
Accumulated amortisation and impairment	(3,054)	–	(970)	(4,024)
Net carrying amount	1,594	2,890	394	4,878

15. OTHER INTANGIBLE ASSETS (continued)

	Patents RMB million	Capitalised development expenditures RMB million	Software RMB million	Total RMB million
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

As at 31 December 2025, certain of the Group's patents, with an aggregate net carrying value of approximately RMB79 million (31 December 2024: RMB135 million) were pledged as collateral for bank loans.

16. INVESTMENTS IN JOINT VENTURES

	2025 RMB million	2024 RMB million
Share of net assets	11,487	9,793

The Group's trade and non-trade receivable and payable balances with the joint ventures are disclosed in notes 19, 22, 26, 27 and 30 to the financial statements.

Particulars of the Group's material joint ventures are as follows:

Name	Particulars of paid-in capital held	Place of registration and business	Percentage of Ownership interest	Voting power	Profit sharing	Principal activities
Chery Jaguar Land Rover Automotive Corporation* (奇瑞捷豹路虎汽車有限公司)	Registered paid-in capital of RMB1 each	Chinese mainland	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	Chinese mainland	49	49	49	Automatic 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.

16. INVESTMENTS IN JOINT VENTURES (continued)

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:

	2025	2024
	RMB million	RMB million
Cash and cash equivalents	**2,501**	2,309
Other current assets	**3,683**	2,714
Current assets	**6,184**	5,023
Non-current assets	**6,895**	7,922
Financial liabilities, excluding trade and other payables and provisions	**628**	813
Other current liabilities	**5,721**	6,071
Current liabilities	**6,349**	6,884
Other non-current liabilities	**776**	136
Non-current liabilities	**776**	136
Net assets	**5,954**	5,925
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	**50%**	50%
Group's share of net assets of the joint venture	**2,978**	2,963
Carrying amount of the investment	**2,978**	2,963
Revenue	**9,248**	11,637
Profit and total comprehensive income for the year	**30**	21

16. INVESTMENTS IN JOINT VENTURES (continued)

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:

	2025 RMB million	2024 RMB million
Cash and balance with central banks	–	348
Due from banks and other financial institutions	8,694	6,199
Other assets	80,206	65,519
Total Assets	88,900	72,066
Financial liabilities, excluding trade and other payables and provisions	74,221	58,532
Other liabilities	1,719	2,025
Total liabilities	75,940	60,557
Net assets	12,960	11,509
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	49%	49%
Group's share of net assets of the joint venture	6,350	5,640
Carrying amount of the investment	6,350	5,640
Revenue	4,459	3,952
Profit and total comprehensive income for the year	1,596	1,708
Dividend received	72	56

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

	2025 RMB million	2024 RMB million
Share of the joint ventures' profit for the year	319	4
Share of the joint ventures' total comprehensive income	330	(10)
Aggregate carrying amount of the Group's investments in the joint ventures	2,160	1,190

17. INVESTMENTS IN ASSOCIATES

	2025	2024
	RMB million	RMB million
Investments in associates	**7,511**	7,591
Less: impairment for investment in associates	**1,154**	1,227
Share of net assets	**6,357**	6,364

The Group's trade and non-trade receivable and payable balances with the associates are disclosed in notes 19, 22, 26, 27 and 30 to the financial statements, respectively.

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

	2025	2024
	RMB million	RMB million
Share of the associates' profit for the year	**463**	595
Share of the associates' total comprehensive income	**460**	597
Aggregate carrying amount of the Group's investments in the associates	**6,357**	6,364

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

	2025	2024
	RMB million	RMB million
Equity investments designated at fair value through other comprehensive income		
Unlisted equity investments, at fair value	**296**	313

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 reporting period, the Group received dividends in the amounts of RMB13 million (2024: RMB32 million).

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2025 RMB million	2024 RMB million
Non-Current portion			
Prepayments for acquisition of long-term assets		**1,348**	757
Others		**9**	84
Impairment allowance	(b)	**(2)**	(2)
Total non-current portion		**1,355**	839
Current portion			
Other receivables	(a)	**4,062**	3,847
Value-added-tax recoverable		**7,967**	5,126
Prepayments		**3,994**	3,531
Others		**19**	12
Impairment allowance	(b)	**(2,033)**	(2,011)
Total current portion		**14,009**	10,505

Impairment of other receivables is measured as either 12-month expected credit losses or lifetime 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:

	2025 RMB million	2024 RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	**290**	211
Associates and their subsidiaries	**234**	260
Joint ventures and their subsidiaries	**287**	243
Wuhu Investment Holding and its subsidiaries	**–**	6
Impairment allowance	**(403)**	(306)
Total	**408**	414

As at 31 December 2025, there is no non-trade balances of prepayments, other receivables and other assets of the Group (31 December 2024: RMB103 million).

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

(b) Impairment allowance for other receivables

As at 31 December 2025

	12-month Stage 1 RMB million	Lifetime Stage 2 RMB million	Lifetime Stage 3 RMB million	Total RMB million
As at 1 January 2025	242	–	1,771	2,013
Impairment losses, net	6	–	8	14
Foreign exchange realignment	14	–	–	14
Disposal of subsidiaries	(4)	–	(1)	(5)
Written off	–	–	(1)	(1)
As at 31 December 2025	258	–	1,777	2,035

As at 31 December 2024

	12-month Stage 1 RMB million	Lifetime Stage 2 RMB million	Lifetime Stage 3 RMB million	Total RMB million
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	242	–	1,771	2,013

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 RMB million	2024 RMB million
Non-current portion			
Unlisted equity investments, at fair value		122	61
Other unlisted investments, at fair value		188	–
Total non-current portion		310	61
Current portion			
Listed convertible bonds		584	–
Listed equity investment		466	–
Wealth management products and structured deposits, at fair value	(a)	31,169	19,579
Total current portion		32,219	19,579

(a) The wealth management products and structured deposits were issued by banks in Chinese mainland. 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.

As at 31 December 2025, the Group's structured deposits with a carrying amount of RMB5,500 million (31 December 2024: nil), were pledged as security for the issuance of bank acceptance bills.

21. INVENTORIES

	2025 RMB million	2024 RMB million
Raw materials	3,032	2,370
Work in progress	3,085	4,911
Finished goods	30,635	29,043
Total	36,752	36,324

As at 31 December 2025, the Group's inventories with a carrying amount of nil (31 December 2024: RMB1,288 million), were pledged as security for the Group's bank loans.

22. TRADE RECEIVABLES

	2025 RMB million	2024 RMB million
Non-Current portion		
Third parties	1,443	–
Impairment allowance	(72)	–
Total non-current portion	1,371	–
Current portion		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	753	2,535
Associates and their subsidiaries	1,699	1,058
Joint ventures and their subsidiaries	1,550	719
Wuhu Investment Holding and its subsidiaries	10	39
Third parties	29,657	14,137
Impairment allowance	(1,158)	(1,065)
Total current portion	32,511	17,423

Advance payments are 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.

Where the collection period of receivables exceeds the normal credit term and the financing component is significant, the receivables are to be measured at their discounted net present value.

As at 31 December 2025, the Group has trade receivables factored by the Group to an external third-party financial institution with a carrying amount of RMB2,822 million (31 December 2024: nil), which were not derecognised. Details refer to note 38 to the financial statements.

An aging analysis of the trade receivables as at the end of the reporting period, based on the time of revenue recognition and net of loss allowance, is as follows:

	2025 RMB million	2024 RMB million
Within 1 year	33,673	17,336
1 to 2 years	198	74
2 to 3 years	11	13
Total	33,882	17,423

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

	2025 RMB million	2024 RMB million
At beginning of year	1,065	1,353
Impairment losses, net (note 6)	175	15
Amount written-off as uncollectible	(2)	(297)
Disposal of subsidiaries	(2)	–
Exchange realignment	(6)	(6)
At end of year	1,230	1,065

22. TRADE RECEIVABLES (continued)

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 is set out below:

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount RMB million	Expected credit losses RMB million	Net carrying amount RMB million
Provision on a collective basis				
Aged within 1 year	**0.80%**	**29,692**	**(237)**	**29,455**
Aged 1 to 2 years	**4.35%**	**207**	**(9)**	**198**
Aged 2 to 3 years	**26.67%**	**15**	**(4)**	**11**
Aged over 3 years	**100.00%**	**24**	**(24)**	**–**
Provision on an individual basis-				
National NEV subsidies	**9.09%**	**11**	**(1)**	**10**
Provision on an individual basis-				
Others	**18.50%**	**5,163**	**(955)**	**4,208**
		35,112	**(1,230)**	**33,882**

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount RMB million	Expected credit losses RMB million	Net carrying amount RMB million
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)	–
		18,488	(1,065)	17,423

23. BILLS RECEIVABLES

	2025 RMB million	2024 RMB million
Bank acceptance bills	**251**	774

As at 31 December 2025, there is no bank acceptance bills of the Group were pledged as collaterals to issue bank acceptance bills (31 December 2024: RMB349 million). 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.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB million	2024 RMB million
Bills receivables, at fair value	**2,327**	7,547

The Group 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. As at 31 December 2025, bank acceptance bills of the Group amounting to RMB 425 million (31 December 2024: nil), were pledged as collaterals to issue bank acceptance bills. 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.

25. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED BANK DEPOSITS

(a) Cash and cash equivalents

	2025 RMB million	2024 RMB million
Cash and cash equivalents	**46,955**	62,693

Denominated in:

	2025 RMB million	2024 RMB million
CNY	**22,538**	56,809
USD	**3,853**	2,098
EUR	**7,609**	1,234
HKD	**4,532**	–
GBP	**1,762**	39
RUB	**1,303**	776
AUD	**1,227**	163
THB	**1,305**	205
OTHERS	**2,826**	1,369
Total	**46,955**	62,693

25. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED BANK DEPOSITS (continued)

(a) Cash and cash equivalents (continued)

The RMB is not freely convertible into other currencies, however, under Chinese mainland'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. Time deposits are made depending on the immediate cash requirements of the Group and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

(b) Restricted bank deposits

	2025	2024
	RMB million	RMB million
Restricted cash balances	**12,750**	75

	2025	2024
	RMB million	RMB million
Pledged cash balances for bank acceptance bills	**11,587**	45
Pledged cash balances for other purpose	**1,163**	27
Pledged cash balances for bank loans	**–**	3
Total	**12,750**	75

(c) Time deposits

	2025	2024
	RMB million	RMB million
Short-term time deposits over three months and due within one year	**12,040**	7,319
Time deposits over one year	**–**	244
Total	**12,040**	7,563

The pledged time deposits are as follows:

	2025	2024
	RMB million	RMB million
Pledged time deposits for bank loans	**–**	200
Pledged time deposits for bank acceptance bills	**1,290**	788
Total	**1,290**	988

As at 31 December, 2025, the Group has time deposits at Chery HuiYin Motor Finance Service Co., Ltd amounted to RMB2,000 million (31 December 2024: RMB5,400 million).

26. TRADE AND BILLS PAYABLES

	2025	2024
	RMB million	RMB million
Trade payables	90,855	99,771
Bills payable	19,358	1,725
Total	110,213	101,496

An aging analysis of the trade and bills payables of the Group as at the end of the reporting period, based on the time of purchase, is as follows:

Trade payables	2025	2024
	RMB million	RMB million
Within 1 year	90,510	99,286
1 to 2 years	208	367
2 to 3 years	80	39
Over 3 years	57	79
Total	90,855	99,771

Bills payable	2025	2024
	RMB million	RMB million
Within 1 year	19,358	1,725

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

	2025	2024
	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	237	2,667
Luxshare Limited and its subsidiaries	1,245	1,181
Wuhu Investment Holding and its subsidiaries	733	1,761
Joint ventures and their subsidiaries	603	3
Associates and their subsidiaries	6,164	7,528
Total	8,982	13,140

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

27. OTHER PAYABLES AND ACCRUALS

	2025	2024
	RMB million	RMB million
Non-current portion		
Other payables for additions of property, plant and equipment	**2,780**	2,806
Equity repurchases	**430**	836
Long-term payables	**1,675**	1,212
Total non-current portion	**4,885**	4,854
Current portion		
Accrued salaries, bonuses and benefits	**5,306**	4,978
Other payables for additions of property, plant and equipment	**6,965**	3,371
Other tax payables	**3,097**	1,917
Marketing and promotion expense payables	**2,818**	2,081
Deposit from suppliers and distributors	**1,866**	1,431
Transportation fee payables	**1,951**	1,478
Other payables	**9,087**	7,181
Total current portion	**31,090**	22,437

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:

	2025	2024
	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	**438**	169
Associates and their subsidiaries	**1,090**	1,050
Wuhu Investment Holding and its subsidiaries	**10**	5
Ruichuang and its subsidiaries	**–**	430
Joint ventures and their subsidiaries	**197**	–
Luxshare Limited and its subsidiaries	**17**	–
Total	**1,752**	1,654

28. DERIVATIVE FINANCIAL INSTRUMENTS

	Note	As at 31 December 2025		As at 31 December 2024	
		Assets RMB million	**Liabilities RMB million**	Assets RMB million	Liabilities RMB million
Non-current					
Preferred share investments	(a)	**508**	**–**	–	–
Current					
Forward exchange contracts	(b)	**51**	**23**	–	–
Total		**559**	**23**	–	–

(a) In 2025, the Company made an equity investment comprising ordinary shares and preferred shares. The equity component, due to its significant influence, was recorded as an investment in an associate, while the preferential rights associated with the preferred share investment were bifurcated and accounted for separately as an embedded derivative, which is carried at fair value.

(b) The forward exchange 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 amounting to RMB28 million (2024: nil), were charged to the statement of profit or loss for the years ended 31 December 2025.

29. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS

	As at 31 December 2025		
	Weighted average interest rate (%)	**Maturity**	**RMB million**
Current			
Bank loans – unsecured	**12.88**	**2026**	**2,722**
Bank loans – secured	**13.20**	**2026**	**2,822**
Current portion of long term bank loans – unsecured	**2.33**	**2026**	**6,356**
Current portion of long term bank loans – secured	**2.65**	**2026**	**91**
Total – current			**11,991**
Non-current			
Bank loans – unsecured	**2.50**	**2027-2033**	**1,333**
Bank loans – secured	**2.69**	**2027-2034**	**561**
Other borrowings	**2.05**	**2030-2035**	**2,039**
Total – non-current			**3,933**
Total			**15,924**

29. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (continued)

	As at 31 December 2024		
	Weighted average interest rate (%)	Maturity	RMB million
Current			
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
Non-current			
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

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

	2025	2024
	RMB million	RMB million
RMB	**11,075**	14,262
Russian Ruble	**4,849**	8,856
Turkish Lira	**–**	48
Total	**15,924**	23,166

	2025	2024
	RMB million	RMB million
Analysed into:		
Bank loans:		
Within one year or on demand	**11,991**	20,068
In the second year	**1,366**	1,705
In the third to fifth years, inclusive	**283**	1,334
Beyond five years	**245**	59
Total	**13,885**	23,166
Other borrowings:		
Beyond five years	**2,039**	–
Total	**2,039**	–

29. INTEREST-BEARING BANK LOANS AND OTHER BORROWINGS (continued)

(a) As of 31 December 2025, the outstanding balances of borrowings of the Group secured by trade receivables amounted to RMB2,822 million (31 December 2024: nil).

(b) As of 31 December 2025, the outstanding balances of borrowings of the Group secured by mortgage of property, plant and equipment, leasehold land and patents amounted to RMB652 million (31 December 2024: RMB378 million).

(c) As of 31 December 2025, the outstanding balances of borrowings of the Group secured by pledge of certificates of deposit amounted to nil (31 December 2024: RMB195 million).

(d) As of 31 December 2025, the outstanding balances of borrowings guaranteed by the Group's subsidiaries amounted to nil (31 December 2024: RMB110 million).

(e) As of 31 December 2025, the amounts from discounted unmatured bills receivables presented as borrowings were nil (31 December 2024: RMB43 million).

(f) As of 31 December 2025, the outstanding balances of borrowings guaranteed by inventory were nil (31 December 2024: RMB1,295 million).

(g) As of 31 December 2025, the outstanding balances of borrowings guaranteed by term deposit were nil (31 December 2024: RMB3 million).

30. CONTRACT LIABILITIES

	2025	2024
	RMB million	RMB million
Advance payments from customers	**13,556**	9,456
Sales rebate to customers	**6,232**	5,863
Total	**19,788**	15,319

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

	2025	2024
	RMB million	RMB million
Chery Holding Group Co., Ltd. and its subsidiaries	**167**	63
Joint ventures and their subsidiaries	**9**	294
Associates and their subsidiaries	**18**	1
Wuhu Investment Holding and its subsidiaries	**3**	2
Total	**197**	360

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.

31. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax assets

	Impairment of financial and contract assets and non-financial assets RMB million	Accruals and provisions RMB million	Tax losses RMB million	Unrealized gains or losses on internal transactions RMB million	Lease liabilities RMB million	Others RMB million	Total RMB million
As at 1 January 2025	762	3,111	662	528	317	28	5,408
Acquisition of a subsidiary	13	23	–	–	–	–	36
Disposal of subsidiaries	(2)	–	(13)	–	(4)	–	(19)
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 10)	(232)	998	275	826	396	16	2,279
As at 31 December 2025	541	4,132	924	1,354	709	44	7,704

Deferred tax liabilities

	Changes in fair value RMB million	Withholding tax on dividends RMB million	Right-of-use assets RMB million	Unrealised foreign exchange income RMB million	Others RMB million	Total RMB million
As at 1 January 2025	19	87	249	–	153	508
Disposal of subsidiaries	–	–	(7)	–	–	(7)
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	47	65	452	452	(13)	1,003
As at 31 December 2025	66	152	694	452	140	1,504

31. DEFERRED TAX (continued)

Deferred tax assets

	Impairment of financial and contract assets and non-financial assets RMB million	Accruals and provisions RMB million	Tax losses RMB million	Unrealized gains or losses on internal transactions RMB million	Lease liabilities RMB million	Others RMB million	Total 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 31 December 2024	762	3,111	662	528	317	28	5,408

Deferred tax liabilities

	Changes in fair value RMB million	Withholding tax on dividends RMB million	Right-of-use assets RMB million	Others RMB million	Total RMB million
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 31 December 2024	19	87	249	153	508

31. DEFERRED TAX (continued)

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:

	2025 RMB million	2024 RMB million
Net deferred tax assets recognised in the consolidated statement of financial position	6,689	5,131
Net deferred tax liabilities recognised in the consolidated statement of financial position	489	231

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

	2025 RMB million	2024 RMB million
Tax losses	22,527	12,655
Deductible temporary differences	12,087	14,575

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.

32. DEFERRED INCOME

	2025 RMB million	2024 RMB million
Government grant	7,580	5,463
Less: Current portion	239	180
Non-current portion	7,341	5,283

33. PROVISION

	Notes	2025 RMB million	2024 RMB million
Warranties	(a)	10,739	9,498
Litigations		238	169
		10,977	9,667
Less: Current Portion		3,549	2,816
		7,428	6,851

33. PROVISION (continued)

(a) Warranties

	2025 RMB million	2024 RMB million
At beginning of the year	**9,498**	5,623
Acquisition of a subsidiary	**16**	–
Additional provision	**6,264**	7,477
Amounts utilized during the year	**(3,672)**	(3,504)
Disposals	**(1,508)**	–
Exchange realignment	**141**	(98)
At the end of the year	**10,739**	9,498
Less: current portion	**3,549**	2,816
Non-current portion	**7,190**	6,682

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.

34. SHARE CAPITAL

Shares

	2025 RMB million	2024 RMB million
Issued and fully paid:		
5,808,604,533 (2024: 5,469,831,633) ordinary shares	**5,809**	5,470

A summary of movements in the Company's share capital is as follows:

	Note	Number of shares in issue	Share capital RMB million
At 1 January 2024, 31 December 2024 and 1 January 2025		5,469,831,633	5,470
Issuance of new shares upon the IPO and the exercise of the over-allotment option	(a)	338,772,900	339
At 31 December 2025		5,808,604,533	5,809

(a) In connection with the Listing of the shares of the Company on the Main Board of the Hong Kong Stock Exchange, 297,397,000 new ordinary shares (with the full exercise of the offer size adjustment option and before any exercise of the over-allotment option) with a nominal value of RMB1 each were issued at a price of HKD30.75 per ordinary share including share premium for a total cash consideration of RMB8,379 million before deducting underwriting fees, commissions and related expenses. Dealing of the shares of the Company on the Main Board of the Hong Kong Stock Exchange commenced on 25 September 2025.

In October 2025, 41,375,900 shares were issued by the exercise of the over-allotment option at a price of HKD30.75 per ordinary share including share premium for a total cash consideration of RMB1,161 million before deducting underwriting fees, commissions and related expenses.

35. 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 RMB89 million (2024: RMB1,663 million) under Ruichang platform scheme were recognized in the consolidated statements of profit or loss of the Group for the year end 31 December 2025.

35. SHARE-BASED PAYMENT (continued)

(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 and June 2025, the Company further granted 25,264,900 and 4,013,500 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 2025.

	2025	2024
Number of shares		
At the beginning of the year	**343,712,700**	–
Granted during the year	**29,278,400**	351,104,500
Forfeited during the year	**(10,006,200)**	(7,391,800)
At the end of the year	**362,984,900**	343,712,700

During the year ended 31 December 2025, share-based compensation expenses of RMB438 million (2024: RMB353 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.

36. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes inequity in the financial statements.

(a) 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.

(b) Capital and other reserves

The capital and 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 35.

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

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

	2025	2024
Percentage of equity interest held by non-controlling interests:		
Chery New Energy Automobile Co., Ltd. 奇瑞新能源汽車股份有限公司	**52%**	52%
Fuzhou Qingkou Holdings Co., Ltd. 福州青口控股有限公司	**30%**	30%
Profit/(loss) for the year allocated to non-controlling interests:		
Chery New Energy Automobile Co., Ltd.	**(363)**	(312)
Fuzhou Qingkou Holdings Co., Ltd.	**645**	521
Accumulated (deficits)/balances of non-controlling interests:		
Chery New Energy Automobile Co., Ltd.	**(1,525)**	(1,162)
Fuzhou Qingkou Holdings Co., Ltd.	**1,583**	895

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

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. RMB million	**Fuzhou Qingkou Holdings Co., Ltd. RMB million**
31 December 2025		
Revenue	**14,023**	**31,214**
Total cost & expense	**(14,724)**	**(29,065)**
(Loss)/profit for the year	**(701)**	**2,149**
Total comprehensive income for the year	**(701)**	**2,149**
Current assets	**4,518**	**14,442**
Non-current assets	**3,942**	**3,631**
Current liabilities	**(10,502)**	**(10,415)**
Non-current liabilities	**(840)**	**(2,387)**
Net cash flows generated from operating activities	**645**	**259**
Net cash flows used in investing activities	**(737)**	**(921)**
Net cash flows generated from financing activities	**269**	**602**
Net increase/(decrease) in cash and cash equivalents	**177**	**(60)**

	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)

38. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2025, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (the "Endorsed Bills") with a carrying amount of RMB95 million (31 December 2024: RMB292 million) to certain of its suppliers, 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 RMB95 million as at 31 December 2025 (31 December 2024: RMB292 million).

As at 31 December 2025, the Group has no (31 December 2024: RMB43 million) discounted bills receivables accepted by banks in Chinese mainland (the "Discounted Bills") (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 nil as at 31 December 2025 (31 December 2024: RMB43 million).

As at 31 December 2025, the Group has trade receivables factored by the Group to an external third-party financial institution with a carrying amount of RMB2,822 million (31 December 2024: nil). In the opinion of the directors, the Group retains substantially all the risks and rewards relating to the trade receivables, including the risk of default, and has fully recognized the associated liability as short-term borrowings.

Transferred financial assets that are derecognised in their entirety

As at 31 December 2025, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (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 RMB53,495 million (31 December 2024: RMB83,721 million), and discounted certain bills receivables accepted by banks in Chinese mainland (the "Derecognised Bills") with a carrying amount in aggregate of RMB504 million (31 December 2024: RMB6,971 million). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. 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 year ended 31 December 2025, the Group has recognized no losses (2024: RMB68 million), on the date of transfer of the Derecognized Bills.

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

For the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,294 million and RMB2,294 million (2024: RMB1,918 million and RMB1,918 million) respectively, in respect of lease arrangements for buildings, machinery and vehicles.

(b) Changes in liabilities arising from financing activities

As at 31 December 2025

	Bank loans RMB million	**Lease liabilities RMB million**	**Other payables and accruals RMB million**
At 1 January 2025	**23,166**	**2,319**	**4,159**
Changes from financing cash flows	**(10,974)**	**(512)**	**45**
New leases	**–**	**2,294**	**–**
Interest expense	**1,761**	**123**	**212**
Deemed contribution from one shareholder	**–**	**–**	**(129)**
Early cancellation of leases	**–**	**(20)**	**–**
Disposal of subsidiaries	**(276)**	**(69)**	**–**
Effect of foreign exchange changes	**2,247**	**–**	**–**
At 31 December 2025	**15,924**	**4,135**	**4,287**

As at 31 December 2024

	Bank loans RMB million	Lease liabilities RMB million	Other payables and accruals 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	23,166	2,319	4,159

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

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

	2025 RMB million	2024 RMB million
Within operating activities	176	151
Within financing activities	512	199
Total	688	350

40. PLEDGE OF ASSETS

Details of the Group's assets pledged for various purposes are included in notes 13, 14, 15, 20, 21, 22, 23, 24 and 25, respectively, to the financial statements.

41. COMMITMENTS

(a) The Group had the following contractual commitments as at 31 December 2025 and 2024:

	2025 RMB million	2024 RMB million
Contracted, but not provided for:		
Property, plant and equipment	5,380	2,519

42. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

	2025 RMB million	2024 RMB million
Associates and their subsidiaries:		
Sales of products	1,484	438
Purchases of products	23,218	16,729
Purchases of property, plant and equipment	576	379
Rendering of services	21	34
Receipt of service	14	3
Lease expense	13	10
Joint ventures and their subsidiaries:		
Sales of products	3,386	3,314
Purchases of products	1,803	12
Rendering of services	10	–
Receipt of service	64	–
Placement of time deposits	5,000	5,400
Maturity of time deposits	8,400	–
Interest income	82	81
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates:		
Sales of products	1,154	2,883
Sales of property, plant and equipment	20	8
Purchases of products	3,429	3,949
Purchases of property, plant and equipment	8	32
Lease expense	18	18
Rendering of service	94	63
Receipt of service	472	17
Acquisition of subsidiaries	–	7,320
Luxshare Limited and its subsidiaries:		
Sales of products	15	–
Purchases of products	2,490	2,134
Purchases of property, plant and equipment	–	3
Wuhu Investment Holding and its subsidiaries:		
Purchases of products	2,378	3,799
Purchases of property, plant and equipment	33	32
Sales of products	241	157
Ruichuang and its subsidiaries:		
Lease expense	2	4

Note:

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

42. RELATED PARTY TRANSACTIONS (continued)

(b) Other transactions with related parties:

(i) As at 31 December 2025, the Group provided guarantee to an associate of the Group for its bank borrowing amounting to RMB314 million (31 December 2024: RMB197 million).

(ii) As at 31 December 2025, the Group provided guarantee to a joint venture of the Group for its bank borrowing amounting to RMB49 million (31 December 2024: nil).

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

	2025	2024
	RMB thousand	RMB thousand
Fee	**794**	834
Salaries, allowances and benefits in kind	**16,034**	18,721
Performance related bonuses	**36,398**	40,515
Share-based compensation expenses	**89,485**	83,361
Pension scheme contributions	**291**	391
Total compensation paid to key management personnel	**143,002**	143,822

Further details of directors' and the supervisors' emoluments are included in note 8 to the financial statements.

The outstanding balances with related parties are included in notes 14(b), 19, 22, 26, 27, 30 to the financial statements.

43. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income			
	Mandatorily designated as such RMB million	Debt investments RMB million	Equity investments RMB million	Financial assets at amortised cost RMB million	Total RMB million
Equity investments designated at fair value through other comprehensive income	–	–	296	–	296
Trade receivables	–	–	–	33,882	33,882
Bills receivables	–	–	–	251	251
Financial assets included in prepayments, other receivables and other assets	–	–	–	2,055	2,055
Financial assets at fair value through profit or loss	32,529	–	–	–	32,529
Financial assets at fair value through other comprehensive income	–	2,327	–	–	2,327
Derivative financial instruments	559	–	–	–	559
Time deposits	–	–	–	12,040	12,040
Restricted bank deposits	–	–	–	12,750	12,750
Cash and cash equivalents	–	–	–	46,955	46,955
Total	33,088	2,327	296	107,933	143,644

Financial liabilities

	Financial liabilities at fair value RMB million	Financial liabilities at amortised cost RMB million
Trade and bills payables	–	110,213
Financial liabilities included in other payables and accruals	–	27,572
Interest-bearing bank loans and other borrowings	–	15,924
Derivative financial instruments	23	–
Total	23	153,709

43. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

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			
	Mandatorily designated as such RMB million	Debt investments RMB million	Equity investments RMB million	Financial assets at amortised cost RMB million	Total 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	19,640	7,547	313	90,443	117,943

Financial liabilities

	Financial liabilities at amortised cost RMB million
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

344. 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, the current portion of 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, the current portion of interest-bearing bank loans and other borrowings 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 reporting period, 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 fair values of listed convertible bonds and equity investments are based on quoted market prices. The Group invests in unlisted investments, which mainly 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.

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 loans and other 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.

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	**Significant observable inputs (Level 2) RMB million**	**Significant unobservable inputs (Level 3) RMB million**	**Total RMB million**
Equity investments designated at fair value through other comprehensive income	**–**	**–**	**296**	**296**
Bills receivables included in financial assets at fair value through other comprehensive income	**–**	**2,327**	**–**	**2,327**
Financial assets at fair value through profit or loss	**1,050**	**31,432**	**47**	**32,529**
Derivative financial instruments	**–**	**559**	**–**	**559**
Total	**1,050**	**34,318**	**343**	**35,711**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total 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

44. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the reporting period are as follows:

	2025 RMB million	2024 RMB million
Equity investments at fair value through other comprehensive income		
At the beginning of the year	313	262
Total gains recognised in other comprehensive income	(17)	51
At the end of the year	296	313

	2025 RMB million	2024 RMB million
Financial assets at fair value through profit or loss		
At the beginning of the year	61	60
Total gains recognised in profit or loss	–	1
Disposals	(14)	–
At the end of the year	47	61

Liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	**Significant observable inputs (Level 2) RMB million**	**Significant unobservable inputs (Level 3) RMB million**	**Total RMB million**
Derivative financial instruments	–	23	–	23

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB million	Significant observable inputs (Level 2) RMB million	Significant unobservable inputs (Level 3) RMB million	Total RMB million
Derivative financial instruments	–	–	–	–

During the reporting period, 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.

45. 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. At 31 December 2025, approximately 59% (31 December 2024: 59%) 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 RMB7 million (2024: RMB9 million) for the years ended 31 December 2025.

(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.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

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 2025		
If the USD strengthens against the RMB	**5**	**292**
If the USD weakens against the RMB	**(5)**	**(292)**
If the RUB strengthens against the RMB	**5**	**300**
If the RUB weakens against the RMB	**(5)**	**(300)**
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)

Due to the utilization of foreign currency forward contracts, as at 31 December 2025, 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 2025 the Group had certain concentrations of credit risk as 30% (31 December 2024: 30%) of the Group's trade receivables were due from the Group's largest customer, and 49% (31 December 2024: 56%) of the Group's trade receivables were due from the Group's five largest customers based on the balance of trade receivables. 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.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		
	Stage 1 RMB million	Stage 2 RMB million	Stage 3 RMB million	Simplified approach RMB million	Total RMB million
Financial assets at fair value through other comprehensive income	–	–	–	2,327	2,327
Trade receivables*	–	–	–	35,112	35,112
Bill receivables	–	–	–	251	251
Financial assets included in prepayments, other receivables and other assets					
– Normal**	2,313	–	–	–	2,313
– Doubtful**	–	–	1,777	–	1,777
Time deposits	12,040	–	–	–	12,040
Restricted bank deposits					
– Not yet past due	12,750	–	–	–	12,750
Cash and cash equivalents					
– Not yet past due	46,955	–	–	–	46,955
Total	74,058	–	1,777	37,690	113,525

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Credit risk (continued)

As at 31 December 2024

	12-month ECLs		Lifetime ECLs		
	Stage 1 RMB million	Stage 2 RMB million	Stage 3 RMB million	Simplified approach RMB million	Total 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	–	–	–	2,157
– Doubtful**	–	–	1,771	–	1,771
Time deposits	7,563	–	–	–	7,563
Restricted bank deposits					
– Not yet past due	75	–	–	–	75
Cash and cash equivalents					
– Not yet past due	62,693	–	–	–	62,693
Total	72,488	–	1,771	26,809	101,068

* 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 financial statements.

** 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 financial statements.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 reporting period, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2025				
	Within one year or on demand RMB million	In the second year RMB million	In the third to fifth year RMB million	Beyond five years RMB million	Total RMB million
Lease liabilities	741	554	1,347	2,585	5,227
Interest-bearing bank loans and other borrowings	12,334	1,395	303	2,533	16,565
Trade and bills payables	110,213	–	–	–	110,213
Other payables and accruals	23,594	477	1,432	3,051	28,554
Total	146,882	2,426	3,082	8,169	160,559

	As at 31 December 2024				
	Within one year or on demand RMB million	In the second year RMB million	In the third to fifth year RMB million	Beyond five years RMB million	Total RMB million
Lease liabilities	517	355	620	1,514	3,006
Interest-bearing bank loans and other borrowings	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	139,853	2,515	4,259	5,061	151,688

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 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:

	2025	2024
	RMB million	RMB million
Total assets	**259,347**	213,996
Total liabilities	**208,549**	188,072
Asset-liability ratio	**80%**	88%

46. EVENTS AFTER THE REPORTING PERIOD

A final dividend in respect of the year ended 31 December 2025 of RMB0.86 per share, amounting to a total dividend of RMB5,000 million, was proposed by the Board of Directors at a meeting held on 18 March 2026, subject to the final approval by the shareholders of the Company at the Annual General Meeting. These financial statements do not reflect this dividend payable.

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2025 RMB million	2024 RMB million
NON-CURRENT ASSETS			
Property, plant and equipment		**16,481**	15,259
Right-of-use assets		**2,606**	2,178
Other intangible assets		**3,589**	1,407
Investments in joint ventures		**11,200**	9,273
Investments in associates		**1,355**	2,014
Investments in subsidiaries		**20,131**	15,708
Equity investments designated at fair value through other comprehensive income		**206**	260
Prepayments, other receivables and other assets		**961**	653
Deferred tax assets		**2,811**	2,388
Total non-current assets		**59,340**	49,140
CURRENT ASSETS			
Inventories		**10,495**	9,721
Trade receivables		**69,144**	45,005
Bills receivables		**278**	477
Prepayments, other receivables and other assets		**21,883**	10,075
Financial assets at fair value through profit or loss		**25,790**	19,118
Derivative financial instruments – assets		**1**	–
Financial assets at fair value through other comprehensive income		**2,372**	4,557
Time deposits		**10,174**	5,914
Restricted bank deposits		**1,060**	–
Cash and cash equivalents		**27,799**	55,287
Total current assets		**168,996**	150,154
CURRENT LIABILITIES			
Trade and bills payables		**73,408**	79,780
Other payables and accruals		**53,172**	47,907
Interest-bearing bank loans and other borrowings		**6,245**	9,566
Lease liabilities		**252**	127
Tax payable		**1,785**	2,158
Contract liabilities		**8,748**	4,338
Provision		**3,173**	2,682
Deferred income		**126**	118
Total current liabilities		**146,909**	146,676
NET CURRENT ASSETS		**22,087**	3,478

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	Notes	2025	2024
		RMB million	RMB million
TOTAL ASSETS LESS CURRENT LIABILITIES		81,427	52,618
NON-CURRENT LIABILITIES			
Other payables and accruals		2,741	2,727
Interest-bearing bank loans and other borrowings		1,160	2,640
Lease liabilities		1,753	1,524
Deferred income		6,646	4,974
Provision		6,210	4,956
Total non-current liabilities		18,510	16,821
Net assets		62,917	35,797
EQUITY			
Equity attributable to owners of the parent			
Share capital		5,809	5,470
Reserves		57,108	30,327
Total equity		62,917	35,797

47. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share capital RMB million	Other comprehensive income RMB million	Share-based compensation RMB million	Capital and other reserves RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total 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)
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	5,470	(25)	1,756	8,408	2,592	17,596	35,797

	Share capital RMB million	Other comprehensive income RMB million	Share-based compensation RMB million	Capital and other reserves RMB million	Surplus reserves RMB million	Retained earnings RMB million	Total RMB million
At 1 January 2025	5,470	(25)	1,756	8,408	2,592	17,596	35,797
Profit for the year	–	–	–	–	–	21,296	21,296
Other comprehensive income for the year:							
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	(44)	–	–	–	–	(44)
Share of other comprehensive income of joint ventures and associates	–	(9)	–	–	–	–	(9)
Total comprehensive income for the year	–	(53)	–	–	–	21,296	21,243
Issuance of shares upon the IPO and the exercise of the over-allotment option	339	–	–	9,016	–	–	9,355
Dividend declared	–	–	–	–	–	(3,993)	(3,993)
Transfer to safety production reserve	–	–	–	23	–	(23)	–
Share-based compensation	–	–	527	–	–	–	527
Share of other reserves of joint ventures and associates	–	–	–	(12)	–	–	(12)
Transfer from retained profits	–	–	–	–	312	(312)	–
At 31 December 2025	5,809	(78)	2,283	17,435	2,904	34,564	62,917

48. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2026.

FOUR-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last four financial years, as extracted from the audited financial statements, is set out below:

	Year ended 31 December			
	2025	2024	2023	2022
	RMB million	RMB million	RMB million	RMB million
Revenue	**300,287**	269,897	163,205	92,618
Gross profit	**41,443**	36,308	26,090	12,805
Profit before tax	**23,001**	16,612	13,305	6,508
Profit for the year	**19,507**	14,334	10,444	5,806

	As at 31 December			
	2025	2024	2023	2022
	RMB million	RMB million	RMB million	RMB million
Total non-current assets	**68,735**	51,595	49,718	34,341
Total current assets	**190,612**	162,401	129,716	87,619
Total current liabilities	**180,944**	165,802	147,104	92,379
Total non-current liabilities	**27,605**	22,270	17,749	21,166
Net assets	**50,798**	25,924	14,581	8,415

DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms have the meanings below:

"2024 Equity Incentive Scheme"	the equity incentive scheme approved and adopted by the Company on 30 March 2024
"2025 AGM"	the 2025 annual general meeting of the Company to be convened and held on Wednesday, 20 May 2026
"Anhui Credit Guaranty"	Anhui Credit Financing Guaranty Group Co., Ltd.* (安徽省信用融資擔保集團有限公司)
"Anhui Investment Holding"	Anhui Provincial Investment Group Holding Co., Ltd.* (安徽省投資集團控股有限公司)
"Articles" or "Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Beijing Water Wood"	Beijing Water Wood Equity Investment Center (Limited Partnership)* (北京水木新創股權投資中心(有限合夥))
"BEV"	battery electric vehicle, an electric vehicle powered solely by a battery
"Board" or "Board of Directors"	the board of directors of the Company
"Chery" or "Company"	Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司), a limited liability company established under the laws of the PRC in 1997 and converted into a joint stock limited liability company in the PRC on 24 March 2008
"Chery Auto Parts Procurement"	Wuhu Chery Auto Parts Procurement Co., Ltd.* (蕪湖奇瑞汽車零部件採購有限公司),a limited liability company established under the laws of the PRC in 2005, which is a wholly-owned subsidiary of the Company
"Chery New Energy"	Chery New Energy Automobile Co., Ltd.* (奇瑞新能源汽車股份有限公司), a joint stock company established under the laws of the PRC with limited liability in 2010, which is a non-wholly-owned subsidiary of the Company
"Chery Holding"	Chery Holding Group Co., Ltd. (奇瑞控股集團有限公司), a limited liability company established under the laws of the PRC in 2010
"Chery Russia"	JSC Chery Automobile RUS, a limited liability company established under the laws of Russia in 2005, which is a wholly-owned subsidiary of the Company
"Chery Sales"	Anhui Chery Automobile Sales Co., Ltd.* (安徽奇瑞汽車銷售有限公司), a limited liability company established under the laws of the PRC in 2000, which is a wholly-owned subsidiary of the Company
"Chery Technology"	Wuhu Chery Technology Co., Ltd.* (蕪湖奇瑞科技有限公司), a limited liability company established under the laws of the PRC in 2001, which is a wholly-owned subsidiary of the Company

"China" or "PRC"	the People's Republic of China, for geographical reference only and except where the context requires, references to the "PRC" do not apply to Hong Kong, Macau and Taiwan
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Domestic Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is/are subscribed for and paid up in Renminbi by domestic investors and not listed or traded on any stock exchange
"EIT Law"	the Enterprise Income Tax Law of the PRC《中華人民共和國企業所得税法》
"ESG"	Environmental, Social and Governance
"Foreign Unlisted Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each which is/are subscribed for and paid up in currency other than RMB by foreign investors and not listed on any stock exchange
"Group"	the Company and its subsidiaries
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which will be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
"H Shareholders(s)"	the holder(s) of the H Share(s)
"Hengrui"	Wuhu Hengrui Equity Investment Partnership (Limited Partnership)* (蕪湖衡瑞股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC in 2024, which is one of the Group's employee stock ownership platforms
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"ICE"	internal combustion engine
"Jimo SAOSC"	the State-owned Assets Operation Service Center of Jimo District, Qingdao City* (青島市即墨區國有資產運營服務中心)
"Jinan Changying"	Jinan Changying Jinan Investment Partnership (Limited Partnership)* (濟南暢贏金安投資合夥企業(有限合夥))
"Jinan Jiading"	Jinan Jiading Investment Partnership (Limited Partnership)* (濟南佳鼎投資合夥企業(有限合夥))
"KD"	knock down

"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	25 September 2025, the date from which the H Shares are listed on the Main Board of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Luxshare Precision Industry"	Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司), a joint stock company incorporated in the PRC with limited liability in 2004, which is an associate of Ms. Wang Laichun (王來春) and therefore a connected person of the Company, whose A shares are listed on the Shenzhen Stock Exchange under the stock code of 002475
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Management and Employee Stock Ownership Platform(s)"	Ruichuang, Hengrui and/or Zhenrui (as the case may be)
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"Mr. Yin"	Mr. Yin Tongyue (尹同躍), the executive Director, the chairman of the Board and the president of the Group
"Net Proceeds"	the net proceeds from the Listing
"NEV"	new energy vehicle, primarily including BEVs, REEVs and PHEVs
"Ningbo Wending"	Ningbo Meishan Bonded Port Area Wending Investment Co., Ltd.* (寧波梅山保稅港區問鼎投資有限公司)
"Nomination and Remuneration Committee"	the nomination and remuneration committee of the Company
"passenger vehicle"	vehicles primarily used for transporting passengers and their carry-on luggage to meet the non-business travelling needs of individuals or families, typically with a capacity of no more than nine seats (including the driver), and including types such as sedans and SUVs
"PHEV"	plug-in hybrid electric vehicle, an electric vehicle with a plug-in battery and fuel engine
"Previous Year"	the financial year ended 31 December 2024
"Procurement Framework Agreement with Luxshare Precision Industry"	the framework agreement dated 12 September 2025 entered into between the Company (for itself and on behalf of its subsidiaries) and Luxshare Precision Industry (for itself and on behalf of its associates) in relation to the procurement of automotive parts and components by the Group from Luxshare Precision Industry and its associates

"Procurement Framework Agreement with Wuhu Investment Holding"	the framework agreement dated 12 September 2025 entered into between the Company (for itself and on behalf of its subsidiaries) and Wuhu Investment Holding (for itself and on behalf of its associates) in relation to the procurement of automotive parts and components by the Group from Wuhu Investment Holding and its associates
"Prospectus"	the prospectus of the Company dated 17 September 2025
"Qingdao Chengxin"	Qingdao Chengxin Equity Investment Co., Ltd.* (青島城鑫股權投資有限公司)
"Qingdao SASAC"	the State-owned Assets Supervision and Administration Commission of Qingdao Municipal People's Government
"Qingdao Wudaokou"	Qingdao Wudaokou New Energy Automobile Industry Fund (Limited Partnership)* (青島五道口新能源汽車產業基金企業(有限合夥))
"Qingdao Xincheng"	Qingdao Xincheng Haishun New Energy Automobile Partnership (Limited Partnership)* (青島鑫誠海順新能源汽車合夥企業(有限合夥))
"Qingdao Xingrui"	Qingdao Xingrui Zhicheng New Energy Vehicle Industry Co., Ltd.* (青島興瑞智城新能源汽車產業有限公司)
"R&D"	research and development
"REEV"	range-extended electric vehicle, an electric vehicle with a fuel-powered range extender
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Risk Control and Audit Committee"	the risk control and audit committee of the Company
"Ruichuang"	Wuhu Ruichuang Investment Co., Ltd.* (蕪湖瑞創投資股份有限公司) (formerly known as Wuhu Ruichuang Investment Company Limited* (蕪湖瑞創投資有限公司)), a joint stock company established under the laws of the PRC with limited liability in 2004, which is the stock ownership platform mainly for the management of Chery Holding and the Company
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, comprising Unlisted Share(s) and H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Soueast Motor"	Soueast Motor Corporation Ltd. (東南(福建)汽車工業股份有限公司),a joint stock company established under the laws of the PRC with limited liability in 1992, which is a non-wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy and Sustainable Development Committee"	the strategy and sustainable development committee of the Company

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	the supervisor(s) of the Company
"Supervisory Committee"	the supervisory committee of the Company comprising all the Supervisors
"SUV"	sport utility vehicle
"Tibet Jinkun"	Tibet Jinkun Enterprise Management Co., Ltd.* (西藏錦坤企業管理有限公司)
"Unlisted Shares"	Domestic Unlisted Shares and Foreign Unlisted Shares
"Unlisted Shareholders(s)"	the holder(s) of the Unlisted Share(s)
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Wuhu Investment Holding"	Wuhu Investment Holding Group Co., Ltd.* (蕪湖市投資控股集團有限公司) (formerly known as Wuhu Investment Holding Co., Ltd.* (蕪湖市建設投資有限公司)), a limited liability company established under the laws of the PRC in 1998, which is the single largest Shareholder
"Wuhu SASAC"	the State-owned Assets Supervision and Administration Commission of Wuhu Municipal People's Government
"Wuhu Yongrui"	Wuhu Yongrui Enterprise Management Consultation Co., Ltd.* (蕪湖永瑞企業管理諮詢有限公司)
"Xincheng Haishun"	Qingdao Xincheng Haishun Enterprise Management Co., Ltd.* (青島鑫誠海順企業管理有限公司)
"Year"	the financial year ended 31 December 2025
"Zhenrui"	Wuhu Zhenrui Equity Investment Partnership (Limited Partnership)* (蕪湖振瑞股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC in 2024, which is one of the Group's employee stock ownership platforms
"Zhuhai Shangshun"	Zhuhai Shangshun Management and Consultancy Partnership (Limited Partnership)* (珠海尚順管理諮詢合夥企業(有限合夥))
"%"	per cent

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this annual report in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

* *For identification purposes only*