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**LEAPMOTOR**  
**ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.**

**浙江零跑科技股份有限公司**

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

**(Stock Code: 9863)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Zhejiang Leapmotor Technology Co., Ltd. (the “**Company**” or “**We**” or “**Leapmotor**”, and its subsidiaries, the “**Group**”) is pleased to announce the audited annual consolidated results of the Group for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the corresponding period in 2023. These annual results have been prepared under the International Financial Reporting Standards and reviewed by the audit committee of the Board (the “**Audit Committee**”) and the Group’s independent auditor.

**HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**Business Highlights**

- The Company achieved a positive net profit of RMB0.08 billion in the fourth quarter of 2024, recorded a positive net profit for a single quarter one year ahead of the target and became the second profitable enterprise among emerging auto brands;
- Gross margin for the fourth quarter of 2024 of the Company was 13.3%, hitting an all-time high since its establishment;
- Total delivery of vehicles was 293,724 units for 2024, representing an increase of 103.8% from 144,155 units for the same period in 2023, making it the fastest growing emerging auto brand, with full-year sales ranking firmly among the top three among emerging auto brands.

**Finance**

- Revenue was RMB32.16 billion for 2024, representing an increase of 92.0% from RMB16.75 billion for the same period of 2023;
- Gross margin was 8.4% for 2024, representing an increase of 7.9 percentage points from gross margin of 0.5% for the same period of 2023; gross margin for the fourth quarter of 2024 of the Company was 13.3%, achieving a new high in gross margin for a single quarter since its establishment;

- Net loss attributable to equity holders of the Company was RMB2.82 billion for 2024, representing a decrease in loss of RMB1.40 billion compared with RMB4.22 billion for 2023. Excluding the share-based payment, the adjusted net loss (non-IFRS) was RMB2.35 billion for 2024, representing a decrease in loss of RMB1.17 billion compared with RMB3.52 billion for the same period of 2023. Net profit turned positive in the fourth quarter of 2024, reaching RMB0.08 billion;
- Net cash generated from operating activities was RMB8.47 billion for 2024, representing an increase of RMB7.39 billion compared with RMB1.08 billion for 2023. In 2024, the Company's free cash flow amounted to RMB6.32 billion, representing an increase of RMB6.64 billion from RMB(0.32) billion in 2023.

## **Sales Volume**

- Total delivery of vehicles was 293,724 units for 2024, representing an increase of 103.8% from 144,155 units for the same period in 2023, with full-year sales ranking firmly among the top three among emerging auto brands;
- The average monthly sales volume exceeded 40,000 units in the fourth quarter of 2024;
- As of 31 December 2024, the Company's total delivery exceeded 600,000 units;
- In 2024, the C Series had a total of 225,071 units delivered, with its sales volume accounting for 76.6% of the total sales volume. The sales volume of C Series increased by 112.9% as compared with 2023, and its proportion of the sales volume to the total sales volume increased by 3.3% compared with 2023.

## **Products**

In 2024, two new models, C10 and C16, were launched based on the new C platform by the Company. C10 had a total of 75,469 units delivered for the full year, with an average monthly sales of nearly 10,000 units in the fourth quarter of 2024. C16 had a total of 43,528 units delivered for the full year, with an average monthly sales of over 8,000 units in the fourth quarter of 2024.

Since its global debut, C10 has garnered a series of prestigious international awards and safety certifications with its outstanding product quality, demonstrating the brand's innovative strength. It has consecutively won four top international design awards: the International Design Excellence Award (IDEA) (U.S.), the French Design Award – Gold Award, the MUSE Design Awards – Gold Award (U.S.), and the International CMF Design Awards. At the same time, C10 has received dual five-star safety certifications from Euro NCAP and ANCAP, along with the “Zero Formaldehyde” vehicle designation issued by CATARC and the Annual Outstanding Model recognition from China Electric Vehicle Fire Index. C10 continues to make breakthroughs in industrial design, health and environmental protection, and safety technology, delivering a safer and smarter mobility experience for users worldwide.

C16 has demonstrated outstanding performance in design, performance, intelligence, safety, reliability, and user experience, earning the “2024 Disciplined Innovation Award – Best Model” from the International Automotive Quality Standardization Association (IAQSA). C16 Pure Electric 520 Smart Edition has been certified as a “Summer Health Pioneer Vehicle” by Automotive Data of China Co., Ltd., offering users a comfortable and health-conscious driving experience.

The Company plans to complete the deployment for the B Series products within 2025, namely compact SUV B10, mid-sized sedan B01 and sport hatchback car B05. Products under this Series target the largest automotive segment of China, becoming the growth momentum for the sales target of 500,000 units of the Company in 2025. B10, as the first model of the B Series, is positioned as a compact SUV. It debuted in Paris in 2024 and will officially open for pre-sale on 10 March 2025.

## **Research and Development**

LEAP 3.0 technology architecture first launched by the Company in 2024 incorporates a number of technologies which are the first of their kind in the industry, including the industry’s first centralized integrated electrical/electronic (E/E) architecture that integrated four domains into one (the “Four-Leaf Clover” Architecture), the industry’s first integration technology of advanced driver assistance systems (ADAS), smart cockpit, driving and parking functions by using one single 8295 chip, the industry’s first city full-scenario Network Access Control (NAC) technology that is free of navigation, the industry’s first seamless OTA upgrade technology and the industry’s first new-energy golden powertrain technology (CTC battery + oil-cooled electric drive), with the commonality index of vehicle architecture reaching 88%, the highest in the industry. The successful application of LEAP 3.0 central integrated domain control technology has driven the tremendous market success of the C Series models. In the fourth quarter of 2024, the C Series lineup achieved average monthly sales exceeding 30,000 units, ranking among the top five in their respective market segments.

On 10 March 2025, the Company will launch the LEAP 3.5 architecture with the world’s first ultra-integrated central domain control architecture, equipped with 8650 intelligent driving chip for the first time and full-spec intelligent driving hardware such as LiDAR, whereby one super brain can support end-to-end high-level intelligent driving and coordinate the combination and collaboration of functions in the cockpit, powertrain and body domains.

In 2024, the Company determined the research and development route of “end-to-end big model” intelligent driving system, set up “Smart Driving Technology Research Institute”, expanded the excellent intelligent driving team to more than 500 people, and achieved achievements such as high-speed NAP, urban NAC intelligent driving and HPA parking lot memory parking. In terms of AI computing power and data infrastructure, the Company also continues to increase its investment in resources to fully guarantee the research and development of end-to-end AI big model and its mass production and delivery in 2025. By the end of 2025, Leapmotor plans to realize urban NOA with the new LEAP 3.5 architecture, ranking among the first echelon of intelligent driving in an all-round way.

In 2024, the Company continued to provide new and existing users with the latest technological upgrades. It completed eight OTA upgrades for models with LEAP 2.0 architecture, introducing and refining over 50 functions, including NAP high-speed intelligent piloting, high-speed lane-changing LDW strategy optimization, healthy charging and mobile phone remote control; and completed eight OTA upgrades for the models with LEAP 3.0 architecture, introducing and refining over 100 functions, including NAP's opening of the national highway scene and addition of the elevated scene for 12 cities, HPA parking lot memory parking, AI voice large model.

The Company make a significant stride towards intelligentization field by simultaneously supporting two large language models, Alibaba Cloud's Tongyi Qianwen and DeepSeek, providing considerable smart audio interaction options. Users can flexibly choose and deploy necessary large model service by audio settings of vehicles based on individual preference and demand. This innovation not only represents Leapmotor's pursuit of diversity in technologies, but also expresses its deep understanding and respect for user experience, enabling every car owner to have fun at customized smart driving.

## **Sales Management**

The new retail model with Leapmotor's unique characteristics, which primarily relies on distributors while supplemented by direct sales, was initially established in 2024. As of 31 December 2024, the Company had operated 695 sales stores and 427 service stores, covering 264 cities, representing an increase of 82 cities compared to 2023.

## ***Channels***

The "1+N" model, which the Company has always adhered to, has started to deliver results. As of the end of 2024, the Company had 262 Leapmotor center stores and 433 experience center stores, representing an increase of 186 Leapmotor center stores compared to 2023. As a result, the carrying capacity of core channels was significantly strengthened. By optimising the distributor structure and regional distribution of investors, the Company introduced 77 quality partners in 2024, and channel profitability in 2024 exceeded 80%.

## ***Retail***

The Company has implemented the all-link digital marketing and service system in practice. Based on the concept of users full-lifecycle management and by leveraging DMP and other precision marketing tools, we achieve systematization and digitalization for the entire link from identifying potential customer leads and media placement to user engagement, store visits, test driving, order placements, and post-purchase ownership and use of the car, thereby enhancing operation efficiency of stores.

## ***Service***

The Company upholds the core service philosophy of “Three Quicks and Two Saves” – quick response, quick repairs, quick parts supply, saving time, and saving hassle. By 2024, service satisfaction was significantly increased and a highly efficient after-sales system covering 427 stores nationwide was established. By providing dedicated concierge services, the Company provides each user with multi-to-one exclusive services, achieving demand and respond in a timely manner. We leverage remote diagnostic technology to reduce the frequency of in-store visits for users, while simultaneously optimizing the inventory of commonly used parts to shorten repair cycles. At the same time, the Company has established a comprehensive service ecosystem, covering charging station installation, vehicle pickup and delivery, roadside assistance, and extended warranty for all models of the series, providing full-lifecycle service assurance for users.

## **Globalization**

In May 2024, Leapmotor International B.V. (“**Leapmotor International**”), a joint venture between the Company and Stellantis N.V. (“**Stellantis Group**”), was established, which is responsible for exports, sales, and localized production in overseas markets outside China.

Since 24 September 2024, Leapmotor International has taken the lead in officially launching the sales of T03 and C10 in major European markets, securing an early foothold in overseas markets. As of the end of December 2024, the Company has exported 13,726 units overseas. The Company’s overseas sales channels are being rapidly developed as planned. Leapmotor International has established a total of 400 outlets worldwide which integrate sales and after-sales services, including more than 350 outlets in Europe and about 50 in Asia-Pacific, the Middle East, Africa, and South America. By 2025, Leapmotor International is expected to establish a channel with over 550 outlets, laying a solid foundation for the Company’s global sales and services.

The Company has leveraged Stellantis Group’s existing global resources in automotive financing, automotive insurance, and maintenance and repair, rapidly reaching comparable service level with major international automakers. It continues to provide convenient and efficient after-sales services for both domestic and international users. Leapmotor International has also entered into a cooperation agreement with Stellantis Financial Services to provide financial services to distributors and consumers. In terms of components distribution, one main warehouse, five sub-warehouses, and more than 160 Distrigo distribution centers have been established, enabling the delivery of components to maintenance outlets twice a day.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)**

In January 2025, the Company was granted the MSCI ESG AA rating again, sustaining its position as a global industry leader for two consecutive years. In 2024, the Company was awarded the Bronze Certification of Corporate Social Responsibility (CSR) by EcoVadis, an international authoritative sustainability rating agency, which provides strong support for our business of outsourcing major components of our EIC to external third-party customers.

## **RECENT DEVELOPMENTS AFTER THE REPORTING PERIOD**

On 3 March 2025, the Company entered into a Strategic Cooperation Memorandum of Understanding with China FAW Group Co., Ltd. This cooperation primarily focuses on two areas: first, both parties will leverage their respective technological expertise in R&D to jointly develop new energy passenger vehicles and collaborate on components, aiming to enhance product competitiveness through technological integration of both parties; second, the parties will further explore the feasibility of deepening capital cooperation, facilitating the synergy of both parties across the entire industry chain through such capital cooperation.

The cumulative sales volume of the Company from January to February 2025 was 50,457 units, representing an increase of 167.8% from the same period in 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Financial Analysis**

#### *Revenues*

Total revenues were RMB32.16 billion in 2024, representing an increase of 92.0% from RMB16.75 billion in 2023. The increase was mainly attributable to the increase in the delivery of vehicles and spare parts, and the increase in revenue from value-added services brought by the increase in the ownership of vehicles in the market.

Sales of electric vehicles and parts amounted to RMB31.63 billion in 2024, representing an increase of 89.1% from RMB16.73 billion in 2023. The increase was mainly attributable to the increase in the delivery of vehicles and spare parts.

Revenue from services and other sales amounted to RMB0.53 billion in 2024, representing an increase of 5,200.0% from RMB0.01 billion in 2023. The increase was primarily due to the increase in revenue from value-added services such as extended warranties, maintenance and repair services and vehicle internet connection, which increased along with the growth in ownership; coupled with the addition of business incomes such as warehousing services.

#### *Cost of Sales*

Cost of sales was RMB29.47 billion in 2024, representing an increase of 76.8% from RMB16.67 billion in 2023. The increase was primarily due to an increase in sales volume and changes in product mix, partially offset by ongoing cost reduction and efficiency improvement efforts.

#### *Gross Profit and Gross Margin*

Gross profit was RMB2.69 billion in 2024, representing an increase of 3,262.5% from gross profit of RMB0.08 billion in 2023.

Gross margin improved from 0.5% in 2023 to 8.4% in 2024, primarily due to (i) the optimisation of product mix; (ii) ongoing cost management efforts; and (iii) economies of scale driven by the increase in sales volume.



### *Selling Expenses*

Selling expenses were RMB2.14 billion in 2024, representing an increase of 18.9% from RMB1.80 billion in 2023. The increase was primarily due to the intensified efforts in advertising and promotional activities.

### *Administrative Expenses*

Administrative expenses were RMB1.14 billion in 2024, representing an increase of 32.6% from RMB0.86 billion in 2023. This increase was primarily due to the increase in administrative personnel and taxes and surcharges in line with business growth.

### *R&D Expenses*

R&D expenses were RMB2.90 billion in 2024, representing an increase of 51.0% from RMB1.92 billion in 2023. This increase was primarily due to the increased investment in research and development, as well as the increase in R&D personnel.

### *Operating Loss*

Operating loss was RMB3.17 billion in 2024, compared with RMB4.38 billion in 2023. The decrease in operating loss was mainly attributable to the increase in gross profit higher than increase in costs and expenditures.

### *Net Finance Income*

Net finance income was RMB0.31 billion in 2024, representing an increase of 93.8% from RMB0.16 billion in 2023. This increase was primarily due to the increase in average holdings of cash and cash equivalents as compared to the previous year with a corresponding increase in interest income.

### *Share of Net Profit of Associates*

Share of net profit of associates accounted for using the equity method was RMB0.04 billion in 2024, representing an increase of 900.0% from RMB0.004 billion in 2023. This increase was primarily due to the investment income recognised in new associates.

### *Net Loss and Adjusted Net Loss*

Net loss was RMB2.82 billion in 2024, compared with RMB4.22 billion in 2023. Excluding the share-based payment as part of employee benefit expenses, the adjusted net loss (non-IFRS) was RMB2.35 billion in 2024, compared with RMB3.52 billion in 2023. See “— Non-IFRS Measure.”

### *Basic and Diluted Loss Per Share*

Basic and diluted loss per share was RMB2.1 in 2024, compared with RMB3.6 per share in 2023.

## **Liquidity and Capital Resources**

As at 31 December 2024, we had a liquidity of RMB20.42 billion, which includes cash and cash equivalents, restricted cash, financial assets at fair value through profit or loss and short-term bank time deposits, representing an increase of 5.3% from RMB19.39 billion as at 31 December 2023. Our cash and cash equivalents primarily consist of cash at banks denominated in RMB, USD and HKD. We believe that this level of liquidity is sufficient to finance our operations, having considered our business development and expansion plans.

### **Free Cash Flow**

Free cash flow represents net cash generated from operating activities less capital expenditures. In 2024, our free cash flow amounted to RMB6.32 billion, representing an increase of 2,058.5% from RMB(0.32) billion in 2023.

### **Interest Expenses on Bank and Other Borrowings**

Interest expenses on bank and other borrowings were RMB0.06 billion for the year ended 31 December 2024, representing a decrease of 25% from RMB0.08 billion for the year ended 31 December 2023.

### **Borrowings**

As at 31 December 2024 and 31 December 2023, the Company had total borrowings of RMB2.37 billion and RMB2.47 billion, respectively. Our bank and other borrowings were denominated in RMB.

### **Gearing Ratio**

We monitored capital using gearing ratio. As at 31 December 2024, the Group's gearing ratio was negative value, which is calculated as net debt divided by total capital at the end of each financial period. Net debt equals to our total borrowings and lease liabilities less our cash and cash equivalents. Total capital is calculated as total equity plus net debt.

### **Net Cash Generated from Operating Activities**

Net cash generated from operating activities was RMB8.47 billion for the year ended 31 December 2024, compared with net cash generated from operating activities of RMB1.08 billion for the year ended 31 December 2023, representing an increase of RMB7.39 billion in net cash of operating activities over the same period of last year. The improvement in cash flows of operating activities was primarily due to (i) the increase in product deliveries; (ii) the improvement in gross margin for vehicle sales; and (iii) the enhancement of operating cash flow management.

### **Treasury Policy**

If the Company determines that its cash requirements exceed the amount of cash and cash equivalents it has on hand at the time, it may seek to issue equity or debt securities or obtain credit facilities.



## **Pledge of Assets**

As at 31 December 2024, the Company pledged restricted deposits of RMB1.98 billion, representing a decrease of 49.5% from RMB3.92 billion as at 31 December 2023. Such restricted deposits included restricted cash and bank time deposits.

As at 31 December 2024, the Group pledged certain notes receivables, financial assets at FVOCI, land use rights and property, plant and equipment to obtain borrowings and issue bank acceptance notes.

## **Significant Investments Held**

For the year ended 31 December 2024, the Company did not have any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as at 31 December 2024).

## **Future Plans for Material Investments and Capital Assets**

As at 31 December 2024, the Group did not have any specific plan for material investments and acquisition of capital assets.

## **Capital Commitments and Capital Expenditures**

The Company had capital commitments amounting to RMB2.90 billion primarily for the acquisition of property, plant and equipment as at 31 December 2024. The Company recorded capital expenditures of RMB2.15 billion for the year ended 31 December 2024, which were primarily used for investment in machinery and equipment in new plants and introduction of new model production lines in existing plants.

## **Contingent Liabilities**

As at 31 December 2024, the Company did not have any material contingent liabilities.

## **Material Acquisition and Disposal of Subsidiaries, Associates and Joint Ventures**

For the year ended 31 December 2024, the Company did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **Non-IFRS Measure**

To supplement our annual results, which are presented in accordance with IFRS, we also use adjusted net loss as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS. We define adjusted net loss as net loss for the period adjusted by adding back share-based payment expenses.

The following table reconciles our adjusted net loss for the years presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, which is net loss for the year:

	<b>For the year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB billion</i></b>	<b><i>RMB billion</i></b>
<b>Reconciliation of net loss to adjusted net loss:</b>		
Net loss for the year	<b>(2.82)</b>	(4.22)
Add:		
– Share-based payment expenses <sup>(1)</sup>	<b>0.47</b>	0.70
Adjusted net loss (Non-IFRS measure)	<b><u>(2.35)</u></b>	<b><u>(3.52)</u></b>

*Note:*

- (1) Share-based payment expenses mainly represent the arrangement that we receive services from employees as consideration for our equity instruments. Share-based payment is not expected to result in future cash payments.

## **RISK MANAGEMENT**

### **Foreign Exchange Risk**

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Group. The Company and its major subsidiaries were incorporated in Mainland China. The Company considers RMB as the functional currency and believes that it currently does not have any significant direct foreign exchange risk arising from its operating activities. As at 31 December 2024, the Company did not hold any financial instruments for hedging purposes.

### **Interest Rate Risk**

The Group's interest-rate risk mainly arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Reporting Period.

## **EMPLOYEES, TRAINING AND REMUNERATION POLICIES**

As at 31 December 2024, the Group had 15,551 full-time employees. The Group primarily recruits the employees through campus recruitment, online recruitment, internal referrals, recruitment firms or agents, and other channels, to satisfy its demand for different types of talents. The Group conducts safety awareness, quality awareness and corporate culture training for R&D and manufacturing staff, and implements a comprehensive training system for all employees. During the Reporting Period, the Group incurred employee benefit expenses of approximately RMB4.15 billion. The Group also holds various training courses conducted online and offline on a weekly basis.

The Group offers its employees competitive compensation packages and a dynamic work environment that encourages initiative. The Group participates in various government statutory employee benefit plans, including social insurance, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance, and housing funds. In addition, the Group purchased employer's liability insurance and additional commercial health insurance to increase insurance coverage of its employees.

To recognise the contributions of key employees and motivate them to further promote the development of the Company, the Company adopted two share award schemes and one pre-IPO share option scheme.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, including the sales of treasury shares (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**")) during the Reporting Period. As at the end of the Reporting Period, the Company and its subsidiaries did not hold treasury shares.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules.

During the Reporting Period, the Company has complied with the code provisions set out in the CG Code contained in Appendix C1 to the Listing Rules, except for code provision C.2.1 as explained below.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company does not have a separate role for chairperson of the Board and chief executive officer and Mr. Zhu Jiangming currently performs these two roles. The Board believes that vesting the roles of both chairperson of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Company and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

## **DIVIDEND**

The Board did not recommend the distribution of any final dividend during the Reporting Period.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ dealing in the Company’s securities.

Having made specific enquiries to all of the Directors of the Company, save as disclosed below, all Directors confirmed that they have fully complied with all relevant requirements set out in the Model Code during the Reporting Period.

On 2 January 2024, Mr. Wu Baojun disposed 50,000 H Shares at the secondary market at the market price of HK\$33.6 (the “**Disposal**”). Before the Disposal, Mr. Wu Baojun did not obtain the clearance to deal in the H Shares from the Board as required under paragraph 8 of Appendix C3 to the Listing Rules. Mr. Wu Baojun confirmed that this was an inadvertent mistake. Upon completion of the Disposal, Mr. Wu Baojun notified the Company of the Disposal immediately for purpose of disclosure of interests. To prevent occurrence of similar incident in the future, the Company decided to provide enhanced training to the Directors, supervisors and senior management of the Company in relation to the requirements of dealing in the Shares under the Listing Rules and relevant internal regulations of the Company, and reiterate the importance of abiding by such rules.

To supplement the Model Code, the Company has also implemented a policy in relation to the handling and dissemination of inside information. Access to inside information is at all times confined to relevant personnel (i.e. Directors, senior management and relevant employees) on a need-to-know basis, until the inside information is properly disclosed in accordance with applicable laws and regulations. Directors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable measures to preserve confidentiality and to ensure that its recipients recognize their obligations to maintain confidentiality.

## **SCOPE OF WORK OF INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statements of profit or loss, consolidated balance sheets and the related notes thereto for the year ended 31 December 2024 as set out in this results announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this results announcement.

## **AUDIT COMMITTEE**

The Audit Committee of the Company comprises Mr. Shen Linhua, Mr. Fu Yuwu and Ms. Drina C Yue, all of whom are independent non-executive Directors. Our Audit Committee has reviewed the audited final results of the Company for the year ended 31 December 2024.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Year ended 31 December	
		2024	2023
		RMB'000	RMB'000
Revenue	3	32,164,184	16,746,689
Cost of sales	5	<u>(29,469,759)</u>	<u>(16,666,219)</u>
<b>Gross profit</b>		<b>2,694,425</b>	<b>80,470</b>
Selling expenses	5	(2,138,296)	(1,795,195)
Administrative expenses	5	(1,137,032)	(857,510)
Research and development expenses	5	(2,896,400)	(1,919,790)
Net impairment (losses)/reversal on financial assets and contract assets		(4,725)	25
Other income		175,469	89,011
Other gains – net	4	<u>135,482</u>	<u>25,564</u>
<b>Operating loss</b>		<b>(3,171,077)</b>	<b>(4,377,425)</b>
Finance income		348,181	229,358
Finance costs		<u>(39,527)</u>	<u>(72,218)</u>
<b>Finance income – net</b>		<b>308,654</b>	<b>157,140</b>
Share of net profit of associates accounted for using the equity method		<u>41,707</u>	<u>4,087</u>
<b>Loss before income tax</b>		<b>(2,820,716)</b>	<b>(4,216,198)</b>
Income tax expense	6	<u>(80)</u>	<u>(76)</u>
<b>Loss for the year attributable to the equity holders of the Company</b>		<b><u>(2,820,796)</u></b>	<b><u>(4,216,274)</u></b>
<b>Loss per share attributable to the equity holders of the Company (in RMB)</b>			
Basic and diluted loss per share	7	<u>(2.11)</u>	<u>(3.62)</u>



## CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2024	2023
		RMB'000	RMB'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,537,482	3,868,418
Right-of-use assets		736,445	732,380
Intangible assets		450,107	449,678
Investment in associates accounted for using the equity method		163,576	44,262
Financial assets at fair value through other comprehensive income		143,185	217,128
Time deposits		4,032,574	576,572
Other non-current assets		130,509	95,239
		<u>11,193,878</u>	<u>5,983,677</u>
<b>Current assets</b>			
Inventories	8	2,022,616	1,719,472
Trade and notes receivables	9	1,981,272	926,337
Contract assets	3	–	13,975
Other current assets		475,841	421,874
Financial assets at fair value through profit or loss		11,472,948	2,769,516
Financial assets at fair value through other comprehensive income		1,550,289	–
Time deposits		1,317,743	2,087,300
Restricted cash		1,253,665	2,799,877
Cash and cash equivalents		6,378,268	11,731,389
		<u>26,452,642</u>	<u>22,469,740</u>
<b>Total assets</b>		<b><u>37,646,520</u></b>	<b><u>28,453,417</u></b>
<b>EQUITY</b>			
Share capital		1,336,966	1,336,966
Reserves		25,451,070	25,057,804
Accumulated losses		(16,717,370)	(13,896,574)
<b>Total equity</b>		<b><u>10,070,666</u></b>	<b><u>12,498,196</u></b>

## CONSOLIDATED BALANCE SHEET (CONTINUED)

		As at 31 December	
	Note	2024	2023
		RMB'000	RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	10	1,108,437	891,811
Contract liabilities	3	285,310	190,367
Lease liabilities		186,949	169,504
Provisions		671,881	368,101
Deferred income		348,361	381,734
		<u>2,600,938</u>	<u>2,001,517</u>
<b>Current liabilities</b>			
Trade and notes payables	11	18,903,412	9,846,873
Other payables and accruals	12	3,725,379	2,021,660
Advances from customers		583,492	242,034
Contract liabilities	3	161,419	22,555
Borrowings	10	1,265,715	1,581,157
Lease liabilities		145,479	104,137
Provisions		190,020	135,288
		<u>24,974,916</u>	<u>13,953,704</u>
<b>Total liabilities</b>		<u>27,575,854</u>	<u>15,955,221</u>
<b>Total equity and liabilities</b>		<u>37,646,520</u>	<u>28,453,417</u>
<b>Net current assets</b>		<u>1,477,726</u>	<u>8,516,036</u>
<b>Total assets less current liabilities</b>		<u>12,671,604</u>	<u>14,499,713</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Share capital	Reserves	Accumulated losses	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>As at 1 January 2023</b>	1,142,706	16,796,443	(9,680,300)	8,258,849
Loss and total comprehensive loss for the year	–	–	(4,216,274)	(4,216,274)
Changes in the fair value of equity investments at fair value through other comprehensive income	–	(8,637)	–	(8,637)
<b>Total comprehensive loss for the year</b>	–	(8,637)	(4,216,274)	(4,224,911)
<b>Transactions with equity holders</b>				
Issuance of ordinary shares	194,260	7,572,207	–	7,766,467
Share-based payment	–	697,791	–	697,791
	194,260	8,269,998	–	8,464,258
<b>As at 31 December 2023</b>	<b>1,336,966</b>	<b>25,057,804</b>	<b>(13,896,574)</b>	<b>12,498,196</b>
<b>As at 1 January 2024</b>	<b>1,336,966</b>	<b>25,057,804</b>	<b>(13,896,574)</b>	<b>12,498,196</b>
Loss for the year	–	–	(2,820,796)	(2,820,796)
Changes in the fair value of equity investments at fair value through other comprehensive income	–	(73,943)	–	(73,943)
<b>Total comprehensive loss for the year</b>	–	(73,943)	(2,820,796)	(2,894,739)
<b>Transactions with equity holders</b>				
Share-based payment	–	467,209	–	467,209
	–	467,209	–	467,209
<b>As at 31 December 2024</b>	<b>1,336,966</b>	<b>25,451,070</b>	<b>(16,717,370)</b>	<b>10,070,666</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cash flows from operating activities</b>		
Net cash generated from operations	8,188,784	901,853
Interest received from cash at banks	282,117	179,787
Income taxes paid	(107)	(69)
	<u>8,470,794</u>	<u>1,081,571</u>
<b>Net cash generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Investments in associates	(105,972)	(9,800)
Proceeds from sale of property, plant and equipment	35,254	60,934
Payments for land use rights	(15,032)	(57,798)
Payments for property, plant and equipment	(2,099,866)	(1,306,392)
Payments for intangible assets	(35,921)	(30,272)
Government grants received in relation to acquisition of non-current assets	35,595	–
Proceeds from disposals of financial assets at fair value through profit or loss	23,571,926	1,372,207
Payments for financial assets at fair value through profit or loss	(32,088,600)	(3,168,237)
Payments for financial assets at fair value through other comprehensive income	–	(225,765)
Payments for time deposits	(5,078,345)	(1,615,000)
Proceeds from time deposits	2,367,206	110,000
Interest received from time deposits	90,758	9,750
	<u>(13,322,997)</u>	<u>(4,860,373)</u>
<b>Net cash used in investing activities</b>		

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	–	7,777,787
Principal payments of lease liabilities	(40,387)	(131,052)
Net changes in restricted cash as deposits for bank borrowings	(313,400)	296,600
Repayments of borrowings	(2,177,414)	(1,337,478)
Proceeds from borrowings	2,077,997	2,026,300
Interest paid for borrowings	(26,368)	(58,389)
Interest paid for lease liabilities	(12,558)	(21,491)
Payments for listing expenses	–	(578)
Payments for incremental costs directly related to issuance of ordinary shares	(11,320)	–
	<u>(503,450)</u>	<u>8,551,699</u>
<b>Net cash generated from financing activities</b>		
	<u>(5,355,653)</u>	<u>4,772,897</u>
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	11,731,389	6,948,994
Exchange gains on cash and cash equivalents	2,532	9,498
	<u>11,731,389</u>	<u>6,948,994</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>6,378,268</u></u>	<u><u>11,731,389</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

Zhejiang Leapmotor Technology Co., Ltd. (“**Zhejiang Leapmotor**”, or the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 24 December 2015 as a limited liability company under the Company Law of the PRC. The address of the Company’s registered office is 1st floor, No. 451, Wulianwang Street, Binjiang District, Hangzhou, Zhejiang Province, PRC.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the production, research and development and sales of new energy vehicles in the PRC. The Group commenced the delivery of its first volume manufactured electric vehicles for sale in July 2019. The Company converted into a joint stock company in April 2021.

The Company’s H shares have been listed on The Main Board of The Stock Exchange of Hong Kong Limited since 29 September 2022.

The financial statements are presented in thousands of RMB (“**RMB’000**”), unless otherwise specified.

The financial statements have been approved for issue by the Board of Directors on 10 March 2025.

## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### (i) *Compliance with IFRS*

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“**IASB**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

#### (ii) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

#### (iii) *Changes in accounting policies during the year*

A number of new or amended standards became applicable for the current reporting period. The adoption of these new standards and amendments did not have material impact on the Group’s financial position or operating result and did not require retrospective adjustment.

<b>Standards and amendments</b>	<b>Effective for accounting periods beginning on or after</b>
IAS 1 (Amendment) ‘Classification of liabilities as current or non-current’	1 January 2024
IAS 1 (Amendment) ‘Non-current liabilities with covenants’	1 January 2024
IAS 16 (Amendment) ‘Lease liability in a sale and leaseback’	1 January 2024
IFRS 7 (Amendment) and IAS 7 (Amendment) ‘Supplier finance arrangements’	1 January 2024



## 2 BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### *(iv) New or amended standards not yet effective*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group.

The Group has already commenced an assessment of the impact of these new or revised standards. According to the preliminary assessment made by the Group, no significant impact on the financial performance and positions of the Group is expected when they become effective. The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

<b>Standards and amendments</b>	<b>Effective for accounting periods beginning on or after</b>
IAS 21 (Amendment) 'Lack of exchangeability'	1 January 2025
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Amendments to the classification and measurement of financial instruments'	1 January 2026
IFRS 9 (Amendment) and IFRS 7 (Amendment) 'Contracts referencing nature-dependent electricity'	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 'Presentation and disclosure in financial statements'	1 January 2027
IFRS 19 'Subsidiaries without public accountability: disclosures'	1 January 2027
IFRS 10 (Amendment) and IAS 28 (Amendment) 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a material impact on the Group's financial performance and position, except for IFRS 18, which may mainly impact the presentation of the Group's statement of profit or loss and the Group is still in the process of assessing the impact.

### 3 REVENUE AND SEGMENT INFORMATION

The Group is engaged in the production, research and development and sales of new energy vehicles principally in the PRC. The executive directors of the Company (i.e. the CODM) 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.

#### (a) Revenue by geographical

During the year ended 31 December 2024, apart from the business and operations conducted in Mainland China, the Group expanded its sales to export of new energy vehicles and parts outside the Mainland China. The following table shows the Group's total consolidated revenue by location of the customers for the years ended 31 December 2024 and 2023:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Mainland China	<b>31,071,075</b>	16,642,688
Others	<b>1,093,109</b>	104,001
	<b>32,164,184</b>	16,746,689

#### (b) Revenue during the reporting period

Revenue on sales of vehicles and parts represents the invoiced value of goods sold, which is net of rebate and discounts.

An analysis of the Group's revenue by category for the years ended 31 December 2024 and 2023 is as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Revenue from customers and recognized at point in time</b>		
Sales of vehicles and parts (i)	<b>31,627,077</b>	16,732,759
other sales	<b>425,241</b>	–
	<b>32,052,318</b>	16,732,759
<b>Revenue from customer and recognized over time</b>		
Rendering of services	<b>111,866</b>	13,930
	<b>32,164,184</b>	16,746,689

- (i) No revenue from transactions with a single external customer that accounted for 10% or more of the Group's total revenue.

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (c) Contract liabilities

The Group recognized the following contract liabilities related to the contracts with customers:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
<b>Non-current</b>		
Rendering of services and other sales	<u>285,310</u>	<u>190,367</u>
<b>Current</b>		
Rendering of services and other sales	<u>161,419</u>	<u>22,555</u>
	<u><b>446,729</b></u>	<u><b>212,922</b></u>

The contracts of sales of vehicles that resulted in contract liabilities includes multiple embedded services (extended one-year or lifetime warranty, vehicle internet connection service, firmware over the air (“FOTA”) upgrades, free lifetime roadside assistance service, free lifetime pick-up and delivery for maintenance and others) and customer loyalty points, which are separated from sales of vehicles and are recognized over the service periods.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Aggregate amount of the transaction price allocated to performance obligations that are partially or fully unsatisfied	<u><b>446,729</b></u>	<u><b>212,922</b></u>

Management expected that approximately RMB161,419,000 of the transaction price allocated to unsatisfied performance obligations as at 31 December 2024 will be recognized as revenue within one year. The remaining amount of approximately RMB285,310,000 will be recognized during the upcoming seven years from 1 January 2025 (recognizing over eight years since the deliveries of vehicles to respective customers).

#### (d) Contract assets

The Group recognized the following contract assets related to the contracts with customers:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Contract assets	–	13,986
Loss allowance	<u>–</u>	<u>(11)</u>
	<u><b>–</b></u>	<u><b>13,975</b></u>

#### 4 OTHER GAINS – NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Net fair value gains on financial assets at FVPL	186,758	43,686
Net losses on disposals of property, plant and equipment, intangible assets and right-of-use assets	(43,821)	(596)
Net foreign exchange losses	(3,654)	(18,202)
Other items	(3,801)	676
	<u>135,482</u>	<u>25,564</u>

#### 5 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling expenses, administrative expenses and research and development expenses is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Changes in inventories of finished goods	(105,472)	(198,366)
Raw materials and consumables used	27,216,115	15,285,027
Reversal for impairment of inventories	(122,666)	(189,151)
Employee benefit expenses	4,153,966	3,478,637
Advertising and publicity expenses	1,287,585	1,017,631
Depreciation and amortization expenses	670,699	601,205
Freight and storage expenses	581,109	202,702
Design and development expenses	496,508	351,408
Warranty costs	434,366	313,614
Legal, consulting and other professional fees	142,019	60,635
Expenses relating to short-term leases	73,912	64,781
Auditors' remuneration – Audit services	4,030	5,100
Others	809,316	245,491
	<u>35,641,487</u>	<u>21,238,714</u>

#### 6 INCOME TAX EXPENSE

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax expense	80	76
Deferred income tax expense	–	–
	<u>80</u>	<u>76</u>

## 6 INCOME TAX EXPENSE (CONTINUED)

The Group's principal applicable taxes and tax rates are as follows:

The Company was entitled to a preferential income tax rate of 15% during the years ended 31 December 2024 and 2023. Zhejiang Lingsheng Powertech Co., Ltd. (“**Zhejiang Lingsheng**”), one of the Company's subsidiaries, was also entitled to a preferential income tax rate of 15% during the years ended 31 December 2024. The Company obtained its High and New Technology Enterprises (“**HNTE**”) status in year 2018, hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2018. This status is subject to a requirement that the Company reapply for HNTE status in every three years. The Company re-applied for HNTE status and the application was approved for another three-year period commencing 2024. Zhejiang Lingsheng obtained its HNTE status in year 2024, hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2024.

The Company's other subsidiaries established and operated in Mainland China are subject to the PRC corporate income tax at the statutory rate of 25%.

The Company's subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5% (2023: 16.5%) for the year ended 31 December 2024.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 200% from 2021 of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”).

A reconciliation of the expected income tax calculated at the applicable corporate income tax rate and loss before income tax, with the actual corporate income tax is as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss before income tax	<b>(2,820,716)</b>	(4,216,198)
Share of net profit of associates accounted for using the equity method	<b>(41,707)</b>	(4,087)
	<b>(2,862,423)</b>	(4,220,285)
Income tax credit computed at the applicable income tax rate of 25%	<b>(715,606)</b>	(1,055,071)
Tax effects of:		
Preferential tax rate	<b>269,135</b>	146,472
Expenses not deductible for taxation purposes	<b>102,415</b>	151,650
Super Deduction in respect of R&D expenditures	<b>(406,693)</b>	(208,379)
Utilization of previously unrecognized tax losses and temporary differences	<b>(283,756)</b>	(95,970)
Tax losses and deductible temporary differences for which no deferred income tax asset was recognized	<b>1,034,585</b>	1,061,374
Income tax expense	<b>80</b>	76

As at 31 December 2024, the Group had unutilized tax losses of approximately RMB17,783,889,000 (31 December 2023: RMB13,544,700,000) that can be carried forward against future taxable income. No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of taxable income in the near future.

## 6 INCOME TAX EXPENSE (CONTINUED)

The Group principally conducts its business in Mainland China, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expires of unused tax losses of HNTE, the expiry period of the accumulated unexpired tax losses of the Company and Zhejiang Lingsheng, which are qualified as HNTE, had been extended from 5 years to 10 years. The Company re-applied for HNTE status in 2024 and the approval was obtained in December 2024.

Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Expiry year		
2024	–	609,499
2025	517,880	825,172
2026	1,683,361	1,683,361
2027	1,672,450	2,460,548
2028	2,730,985	2,822,830
2029	1,069,532	164,455
2030	97,232	97,232
2031	712,165	712,165
2032	2,068,580	1,823,553
2033	2,589,632	2,345,885
2034	4,642,072	–
	<u>17,783,889</u>	<u>13,544,700</u>

## 7 LOSS PER SHARE

### (a) Basic loss per share

Basic loss per share for the years ended 31 December 2024 and 2023 is calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2024	2023
Loss attributable to the equity holders of the Company (RMB'000)	(2,820,796)	(4,216,274)
Weighted average number of ordinary shares outstanding (thousand shares)	<u>1,336,966</u>	<u>1,164,527</u>
Basic loss per share (expressed in RMB per share)	<u>(2.11)</u>	<u>(3.62)</u>

### (b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the year ended 31 December 2024, the Group had potential ordinary shares, including restricted shares and share options issued under the Company's share incentive plan and Pre-IPO Share Option Scheme. As the Group incurred losses for the year ended 31 December 2024, the potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 is the same as basic loss per share for the respective year.



## 8 INVENTORIES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials and spare parts	1,063,847	777,897
Finished goods	1,000,485	1,105,957
	<u>2,064,332</u>	<u>1,883,854</u>
Less: provisions for impairment of raw materials	(30,402)	(68,535)
Less: provisions for impairment of finished goods	(11,314)	(95,847)
	<u>(41,716)</u>	<u>(164,382)</u>
	<u><b>2,022,616</b></u>	<u><b>1,719,472</b></u>

Raw materials primarily consist of materials for volume production which will be transferred into production cost when incurred as well as spare parts used for after sales services.

Finished goods include vehicles ready for transit at production plants, vehicles in transit to fulfil customers' orders, new vehicles available for immediate sales at the Group's sales and servicing center locations.

During the year ended 31 December 2024, inventories recognized as cost of sales amounted to approximately RMB26,558,573,000 (2023: RMB14,543,818,000), and the provision for impairment of inventories as recognized for the year amounted to approximately RMB36,301,000 (2023: RMB156,790,000). All these expenses and impairment charge have been included in "cost of sales" in the consolidated statement of comprehensive loss.

During the year ended 31 December 2024, the provision for impairment of inventories as utilized upon the Group's ultimate sales of the related vehicles/parts amounted to approximately RMB158,967,000 (2023: RMB345,941,000) and there was not any reversal of over-provision recognized in profit or loss for the respective years.

Raw materials, spare parts and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## 9 TRADE AND NOTES RECEIVABLES

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Notes receivables	<u>348,857</u>	<u>8,048</u>
Trade receivables		
Due from related parties	1,050,057	3,515
Government subsidies receivables for promotion of new energy vehicles	72,762	846,206
Due from customers	<u>515,604</u>	<u>70,312</u>
Gross trade receivables	1,638,423	920,033
Provisions for impairment	<u>(6,008)</u>	<u>(1,744)</u>
	<u>1,632,415</u>	<u>918,289</u>
Total	<u><u>1,981,272</u></u>	<u><u>926,337</u></u>

The carrying amounts of the Group's trade and notes receivables, excluding provision for impairment, are denominated in the following currencies:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
RMB	1,985,693	928,081
USD	<u>1,587</u>	<u>–</u>
	<u><u>1,987,280</u></u>	<u><u>928,081</u></u>

### (a) Trade receivables

#### (i) Aging analysis of the trade receivables

As at 31 December 2024 and 2023, the aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	1,536,446	72,884
6 months to 1 year	22,985	943
1 to 2 years	6,230	807,608
Over 2 years	<u>72,762</u>	<u>38,598</u>
Total	<u><u>1,638,423</u></u>	<u><u>920,033</u></u>

As at 31 December 2024 and 2023, trade receivables with aging of more than one year were mainly government subsidies receivables for promotion of new energy vehicles.

## 9 TRADE AND NOTES RECEIVABLES (CONTINUED)

### (a) Trade receivables (Continued)

#### (ii) Fair values of the trade receivables

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

#### (iii) Impairment and risk exposure

##### Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The loss allowance for trade receivables as at 31 December 2024 and 2023 was determined as follows:

As at 31 December 2024 and 2023, the Group had no individually impaired trade receivables.

### (b) Notes receivables

The notes receivables have maturity terms ranging from 3 to 6 months.

As at 31 December 2024, notes receivables with amounts of RMB32,125,000 (31 December 2023: nil) were restricted for issuance of bank acceptance notes.

## 10 BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
<b>Borrowings included in non-current liabilities:</b>		
Long-term bank borrowings, secured (a)	1,261,340	1,178,225
Long-term bank borrowings, unsecured and unguaranteed	–	98,000
Long-term other borrowings, secured (b)	27,870	342,500
Long-term other borrowings, unsecured and unguaranteed (c)	80,597	–
Less: current portion included in current liabilities	(261,370)	(726,914)
	<u>1,108,437</u>	<u>891,811</u>
<b>Borrowings included in current liabilities:</b>		
Short-term bank borrowings, secured	–	600,000
Short-term bank borrowings, unsecured and unguaranteed	–	250,500
Short-term other borrowings, unsecured and unguaranteed (d)	1,000,000	–
Current portion of long-term borrowings (a)(b)	261,370	726,914
Interest payables	4,345	3,743
	<u>1,265,715</u>	<u>1,581,157</u>
Total borrowings	<u><u>2,374,152</u></u>	<u><u>2,472,968</u></u>

## 10 BORROWINGS (CONTINUED)

- (a) As at 31 December 2024, the Group had secured long-term bank borrowings amounting to approximately RMB1,261,340,000 (31 December 2023: RMB1,178,225,000), of which approximately RMB233,500,000 (31 December 2023: RMB314,284,000) will be due within one year.

The Group's secured long-term bank borrowings as at 31 December 2024 bore interests at floating interest rates ranging from 2.65% to 4.00% per annum (31 December 2023: 3.15% to 4.00% per annum), and were secured by the pledge of the Group's property, plant and equipment with an amount of approximately RMB955,722,000 (31 December 2023: RMB423,825,000), land use rights with an amount of approximately RMB452,876,000 (31 December 2023: RMB107,450,000), bank time deposits with an amount of RMB149,400,000 (31 December 2023: restricted cash with an amount of RMB313,400,000).

- (b) As at 31 December 2024, the Group's secured long-term other borrowings comprised 24-month borrowings from two finance leasing companies with a total amount of RMB27,870,000 (31 December 2023: RMB342,500,000), of which RMB27,870,000 (31 December 2023: RMB314,630,000) will be due within one year.

The borrowings were obtained through sales and leaseback arrangements, whereby certain property, plant and equipment of the Group were sold and leased back for a 24-month lease term. The Group has the option to repurchase the property, plant and equipment upon the completion of the leases at an insignificant nominal value. During the lease term and before the exercise of the repurchase options upon completion of the lease term, the property, plant and equipment were effectively pledged as security for the borrowings and were restricted under the agreements where lessors consent must be obtained for the pledge or disposal of these assets. As at 31 December 2024, the long-term other borrowings had effective interest rates ranging from 5% to 5.01% (31 December 2023: 5% to 5.1%) per annum and the property, plant and equipment pledged had carrying amount of approximately RMB117,256,000 (31 December 2023: RMB646,104,000).

- (c) As at 31 December 2024, the Group had a 10-year borrowing from a third party with a total amount of approximately RMB80,597,000 which has an effective interest rate of 3.68% per annum.
- (d) As at 31 December 2024, the Group had a 9-month borrowing from a related party with a total amount of approximately RMB1,000,000,000 which has an effective interest rate of 2.50% per annum.

## 10 BORROWINGS (CONTINUED)

### (e) Other disclosures

The Group's borrowings are all denominated in RMB.

During the years ended 31 December 2024 and 2023, the Group had not been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered with the lenders.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates or maturity date, whichever is earlier, was as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Less than 6 months	1,109,581	1,037,932
Between 6 and 12 months	151,789	539,482
Between 1 and 2 years	457,043	223,766
Between 2 and 5 years	430,474	601,193
Over 5 years	220,920	66,852
	<u>2,369,807</u>	<u>2,469,225</u>

The fair values of current borrowings approximated their carrying amount as the discounting impact is not significant.

The fair values of non-current borrowings as at 31 December 2024 and 2023 were disclosed as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Non-current borrowings	<u>1,101,044</u>	<u>887,366</u>

## 11 TRADE AND NOTES PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables		
– Payables for materials	11,575,839	5,057,648
Notes payables (a)		
– Payables for materials	<u>7,327,573</u>	<u>4,789,225</u>
	<u>18,903,412</u>	<u>9,846,873</u>

## 11 TRADE AND NOTES PAYABLES (CONTINUED)

- (a) The notes payables have maturity terms ranging from 3 to 6 months and these notes payables were secured by certain of the Group's restricted cash, bank time deposits and notes receivables.
- (b) The carrying amounts of trade payables approximated their fair values due to their short-term maturity in nature.
- (c) The aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Up to 6 months	11,476,516	4,793,477
6 months to 1 year	3,293	262,897
1 to 2 years	95,321	3
Over 2 years	709	1,271
	<u>11,575,839</u>	<u>5,057,648</u>

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## 12 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Accrued expenses		
– Advertising and publicity expense	976,158	566,412
– Rebate payables	561,917	323,161
– Freight and storage expenses	23,611	28,033
Payroll and welfare payables	650,991	411,772
Payables for purchases of property, plant and equipment	418,951	203,378
Payables for design and development services	341,620	152,511
Deposit from suppliers and distributors	247,508	134,071
Payables for incremental costs directly related to issuance of ordinary shares	–	11,320
Other taxes payables	235,351	89,418
Others	269,272	101,584
	<u>3,725,379</u>	<u>2,021,660</u>

The carrying amounts of other payables and accruals approximated their fair values due to their short-term maturity in nature.

## 13 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the years ended 31 December 2024 and 2023.



## **PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This results announcement has been published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.leapmotor.com](http://www.leapmotor.com). The annual report of the Company will be published on the aforesaid websites of the Stock Exchange and the Company and will be dispatched to the Company's shareholders who have already provided instructions indicating their preference to receive the corporate communications in printed form in due course.

## **RESULTS CONFERENCE CALL**

The management of the Company will host a conference call in relation to the annual results of the Group for the year ended 31 December 2024 (the “**Results Conference Call**”) through webcast at 17:15 p.m. on Monday, 10 March 2025 (Beijing/Hong Kong time).

Investors who wish to attend the Results Conference Call shall complete registration online through the following link at least 20 minutes prior to the commencement time of the Results Conference Call: <https://ir.leapmotor.com/zh-hans/active>. The Company will facilitate channels for investors to raise questions before the Results Conference Call. Investors may submit relevant questions to the designated email address for collecting the questions regarding the Results Conference Call: [ir@leapmotor.com](mailto:ir@leapmotor.com). The latest time for the collection through emails will be 17:00 p.m. on Monday, 10 March 2025 (Beijing/Hong Kong time). The questions which are of common concern to investors will be answered by the Company on the Results Conference Call.

Investors may revisit the webcast and audio recording of the Results Conference Call at the following website: <https://ir.leapmotor.com/zh-hans/active>.

## **ABOUT THE COMPANY**

Leapmotor is an NEV company based in China that possesses full-suite in-house R&D capabilities in NEV's core technologies with its business scope covering intelligent electric vehicle design, R&D and manufacturing, intelligent driving, electric drive assembly, battery system development, and vehicle internet solutions based on cloud computing. We had launched the industry's first 8 in 1 electric drive, the industry's first mass-produced CTC technology, the industry's first “Four Leaf Clover” centrally integrated electronic and electrical architecture and other leading smart electric technologies. Leapmotor adheres to the user-centric value proposition, striving to provide products and services which deliver superior experience beyond expectation. Products currently on sale include the ultra-comfortable and intelligent 6-seater SUV C16, the first globalized strategic model C10, best-in-class smart electric SUV C11, deluxe smart electric sedan C01, and smart BEV city cooter T03, with bonus options of “dual-model layout of battery electric + extended-range”. In 2023, Stellantis Group became a shareholder of Leapmotor. In May 2024, the two parties formally established a joint venture company, Leapmotor International. In September, Leapmotor C10 and T03 were officially launched in Europe, accelerating the layout of the international market. At the same time, B10, the first globalized B model from brand new B Series equipped with the new technology architecture LEAP 3.5, will commence pre-sale on 10 March 2025. As an icon of China's emerging auto, Leapmotor is bringing more happiness to users' travel and life with continuous efforts in technological innovation.

The Company's shareholders and potential investors should note that this announcement is based on unaudited operational and financial information of the Group and such information has not been audited or reviewed by Group's auditors. Such information does not constitute, represent or indicate the full picture of the Group's total revenue or financial performance and the information contained in this announcement may be subject to change and adjustment.

This announcement includes forward-looking statements, including, without limitation, those regarding our future financial position, strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate. These forward-looking statements can be identified by terminology such as "will," "expect," "anticipate," "aim," "future," "intend," "plan," "believe," "estimate," "could," and similar statements. These forward-looking statements are based on some assumptions regarding our present and future business strategies and the environment in which we will operate in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. All information provided in this announcement is as of the date of this announcement, and the Company does not accept any responsibility or obligation to update any of the forward-looking statements, except as required under applicable laws.

The Company's shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board  
**Zhejiang Leapmotor Technology Co., Ltd.**  
**Mr. Zhu Jiangming**  
*Founder, Chairperson of the Board and  
Chief Executive Officer*

Hong Kong, 10 March 2025

*As at the date of this announcement, the Board comprises Mr. Zhu Jiangming, Mr. Cao Li and Mr. Zhou Hongtao as executive Directors; and Mr. Grégoire Olivier, Mr. Douglas Ostermann and Mr. Jin Yufeng as non-executive Directors; and Mr. Fu Yuwu, Ms. Drina C Yue and Mr. Shen Linhua as independent non-executive Directors.*