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GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock codes: 175 (HKD counter) and 80175 (RMB counter)

FINANCIAL HIGHLIGHTS:

	Year ended 31 December		Change %
	2024 RMB'000	2023 RMB'000	
Sales volume* (Units) (Note)	2,176,567	1,648,515	32
Revenue	240,194,270	179,203,592	34
Other gains/(losses), net	904,742	1,367,181	(34)
Share-based payments	(1,746,925)	(646,336)	170
Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture	9,097,711	–	N/A
Profit for the year	16,799,095	4,935,018	240
Profit attributable to equity holders of the Company	16,632,398	5,308,408	213
Earnings per share			
Basic (RMB Cents)	163.80	51.36	219
Diluted (RMB Cents)	163.19	51.00	220
Proposed final dividend (per ordinary share) (HK\$)	0.33	0.22	50

* Included the total sales volume of “Lynk&Co” vehicles sold by the Group’s 50%-owned joint venture.

Note:

While the total sales volume does not correlate directly to the revenue the Group recognises during a particular period, as it includes all sales volume of LYNK & CO Automotive Technology Co., Ltd. (領克汽車科技有限公司) on a 100% consolidated basis, the board of directors (“Board”) believes it is more indicative of the underlying demand for the Group’s vehicles.

The Board recommends payment of a final dividend of HK\$0.33 per ordinary share (2023: HK\$0.22 per ordinary share). This proposal is subject to approval by shareholders at the annual general meeting of the Company to be held on Friday, 30 May 2025, at 4:00 p.m. (Hong Kong Time).

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue	5	240,194,270	179,203,592
Cost of sales		<u>(201,993,421)</u>	<u>(151,788,523)</u>
Gross profit		38,200,849	27,415,069
Other gains/(losses), net	6	904,742	1,367,181
Distribution and selling expenses		(13,282,997)	(11,831,977)
Administrative expenses		(4,896,921)	(4,210,140)
Research and development expenses	8(c)	(10,419,240)	(7,809,997)
Impairment loss on trade and other receivables	8(c)	(127,248)	(160,300)
Impairment loss on non-financial assets, net	8(c)	(987,825)	(317,001)
Share-based payments		(1,746,925)	(646,336)
Finance income, net	8(a)	692,494	544,350
Share of results of associates		530,123	365,248
Share of results of joint ventures		438,790	233,845
Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture	12	<u>9,097,711</u>	<u>–</u>
Profit before taxation	8	18,403,553	4,949,942
Taxation	7	<u>(1,604,458)</u>	<u>(14,924)</u>
Profit for the year		<u>16,799,095</u>	<u>4,935,018</u>
Attributable to:			
Equity holders of the Company		16,632,398	5,308,408
Non-controlling interests		<u>166,697</u>	<u>(373,390)</u>
Profit for the year		<u>16,799,095</u>	<u>4,935,018</u>
Earnings per share			
Basic	10	RMB1.64	RMB0.51
Diluted	10	<u>RMB1.63</u>	<u>RMB0.51</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
Profit for the year	<u>16,799,095</u>	<u>4,935,018</u>
Other comprehensive expense:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
– Notes receivable at fair value through other comprehensive income (“FVOCI”) Change in fair value	46,782	(91,509)
Income tax effect	(12,245)	24,398
– Share of other comprehensive (expense)/income of associates and joint ventures, net of related income tax	(725,873)	10,985
– Exchange differences on translation of financial statements of foreign operations	295	(53,090)
– Reclassification adjustment on fair value recycling released on deemed disposal of subsidiaries	2,006	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
– Equity investments at FVOCI Change in fair value	(38,949)	(166,266)
Other comprehensive expense for the year, net of tax	<u>(727,984)</u>	<u>(275,482)</u>
Total comprehensive income for the year	<u>16,071,111</u>	<u>4,659,536</u>
Attributable to:		
Equity holders of the Company	15,920,383	5,012,475
Non-controlling interests	150,728	(352,939)
Total comprehensive income for the year	<u>16,071,111</u>	<u>4,659,536</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		26,383,836	27,350,540
Intangible assets		28,750,511	23,919,814
Land lease prepayments		4,126,098	3,600,084
Goodwill		34,218	34,218
Interests in associates	<i>11</i>	5,868,902	5,971,984
Interests in joint ventures	<i>12</i>	25,555,301	9,730,978
Trade and other receivables	<i>13</i>	4,810,900	1,895,664
Financial assets at FVOCI		78,797	117,746
Deferred tax assets		8,461,387	6,341,753
		<u>104,069,950</u>	<u>78,962,781</u>
Current assets			
Inventories		23,078,314	15,422,219
Trade and other receivables	<i>13</i>	58,306,524	42,710,734
Income tax recoverable		190,723	164,412
Restricted bank deposits		2,881,148	943,433
Bank balances and cash		40,865,000	35,745,963
		<u>125,321,709</u>	<u>94,986,761</u>
Assets classified as held for sale	<i>15</i>	<u>–</u>	<u>18,648,139</u>
		<u>125,321,709</u>	<u>113,634,900</u>
Current liabilities			
Trade and other payables	<i>14</i>	125,378,530	87,398,188
Derivative financial instruments		27,918	12,702
Lease liabilities		803,204	753,611
Bank borrowings	<i>17</i>	30,300	–
Income tax payable		959,714	774,408
		<u>127,199,666</u>	<u>88,938,909</u>
Liabilities directly associated with assets classified as held for sale	<i>15</i>	<u>–</u>	<u>7,885,018</u>
		<u>127,199,666</u>	<u>96,823,927</u>
Net current (liabilities)/assets		<u>(1,877,957)</u>	<u>16,810,973</u>
Total assets less current liabilities		<u>102,191,993</u>	<u>95,773,754</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
CAPITAL AND RESERVES			
Share capital	<i>16</i>	184,020	183,807
Perpetual capital securities	<i>20</i>	–	3,413,102
Reserves		<u>86,558,205</u>	<u>76,911,915</u>
Equity attributable to equity holders of the Company		86,742,225	80,508,824
Non-controlling interests		<u>5,677,705</u>	<u>4,642,674</u>
Total equity		<u>92,419,930</u>	<u>85,151,498</u>
Non-current liabilities			
Trade and other payables	<i>14</i>	3,410,715	2,721,668
Lease liabilities		1,762,438	1,906,338
Bank borrowings	<i>17</i>	414,180	2,840,240
Loan from a related company	<i>18</i>	–	1,100,000
Bonds payable	<i>19</i>	3,500,000	1,500,000
Deferred tax liabilities		<u>684,730</u>	<u>554,010</u>
		<u>9,772,063</u>	<u>10,622,256</u>
		<u>102,191,993</u>	<u>95,773,754</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company													Total
	Share capital RMB'000 (note 16)	Perpetual capital securities RMB'000 (note 20)	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Safety production fund reserve RMB'000	Fair value reserve (recycling) RMB'000	Fair value reserve (non-recycling) RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2023	183,686	3,413,102	18,020,191	(1,712,482)	1,084,593	-	(111,530)	(95,958)	(22,088)	2,740,758	51,630,183	75,130,455	1,065,360	76,195,815
Profit for the year	-	142,437	-	-	-	-	-	-	-	-	5,165,971	5,308,408	(373,390)	4,935,018
Other comprehensive expense:														
Change in fair value of notes receivable at FVOCI	-	-	-	-	-	-	(66,440)	-	-	-	-	(66,440)	(671)	(67,111)
Share of other comprehensive income of associates and joint venture	-	-	-	-	-	-	-	-	10,985	-	-	10,985	-	10,985
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	(74,212)	-	-	(74,212)	21,122	(53,090)
Change in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(166,266)	-	-	-	(166,266)	-	(166,266)
Total comprehensive income for the year	-	142,437	-	-	-	-	(66,440)	(166,266)	(63,227)	-	5,165,971	5,012,475	(352,939)	4,659,536
Transactions with owners:														
Transfer of reserves	-	-	-	-	1,254,766	-	-	-	-	-	(1,267,501)	(12,735)	-	(12,735)
Transfer to designated safety production fund	-	-	-	-	-	134,684	-	-	-	-	(134,684)	-	-	-
Utilisation of designated safety production fund	-	-	-	-	-	(134,684)	-	-	-	-	134,684	-	-	-
Share of capital reserve of an associate and joint venture	-	-	-	145,965	-	-	-	-	-	-	-	145,965	-	145,965
Shares issued under share award scheme (note 16(b))	121	-	146,758	-	-	-	-	-	-	(146,758)	-	121	-	121
Equity settled share-based payments	-	-	-	-	-	-	-	-	-	900,655	-	900,655	-	900,655
Capital contribution from non-controlling interests	-	-	-	1,390,088	-	-	-	-	-	-	-	1,390,088	3,983,030	5,373,118
Distribution paid on perpetual capital securities (note 9(c))	-	(142,437)	-	-	-	-	-	-	-	-	-	(142,437)	-	(142,437)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(52,777)	(52,777)
Final dividend approved and paid in respect of the previous year (note 9(b))	-	-	-	-	-	-	-	-	-	-	(1,915,763)	(1,915,763)	-	(1,915,763)
Total transactions with owners	121	(142,437)	146,758	1,536,053	1,254,766	-	-	-	-	753,897	(3,183,264)	365,894	3,930,253	4,296,147
Balance at 31 December 2023	183,807	3,413,102	18,166,949	(176,429)	2,339,359	-	(177,970)	(262,224)	(85,315)	3,494,655	53,612,890	80,508,824	4,642,674	85,151,498

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2024

	Attributable to equity holders of the Company													Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (note 16)	Perpetual capital securities RMB'000 (note 20)	Share premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Safety production fund reserve RMB'000	Fair value reserve (recycling) RMB'000	Fair value reserve (non-recycling) RMB'000	Translation reserve RMB'000	Share-based compensation reserve RMB'000	Retained profits RMB'000	Sub-total RMB'000			
Balance at 1 January 2024	183,807	3,413,102	18,166,949	(176,429)	2,339,359	-	(177,970)	(262,224)	(85,315)	3,494,655	53,612,890	80,508,824	4,642,674	85,151,498	
Profit for the year	-	144,840	-	-	-	-	-	-	-	-	16,487,558	16,632,398	166,697	16,799,095	
Other comprehensive expense:															
Change in fair value of notes receivable at FVOCI	-	-	-	-	-	-	34,155	-	-	-	-	34,155	382	34,537	
Share of other comprehensive expense of associates and joint ventures	-	-	-	-	-	-	-	-	(725,873)	-	-	(725,873)	-	(725,873)	
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	16,646	-	-	16,646	(16,351)	295	
Change in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(38,949)	-	-	-	(38,949)	-	(38,949)	
Reclassification adjustment on fair value recycling released on deemed disposal of subsidiaries	-	-	-	-	-	-	2,006	-	-	-	-	2,006	-	2,006	
Total comprehensive income for the year	-	144,840	-	-	-	-	36,161	(38,949)	(709,227)	-	16,487,558	15,920,383	150,728	16,071,111	
Transactions with owners:															
Transfer of reserves	-	-	-	-	2,577,463	-	-	-	-	-	(2,577,463)	-	-	-	
Transfer to designated safety production fund	-	-	-	-	-	119,908	-	-	-	-	(119,908)	-	-	-	
Utilisation of designated safety production fund	-	-	-	-	-	(119,908)	-	-	-	-	119,908	-	-	-	
Issuance of ordinary shares of ZEEKR for ZEEKR Offering (as defined in note 9(d))	-	-	-	(73,317)	-	-	-	-	-	-	-	(73,317)	1,582,185	1,508,868	
Share of reserves of an associate and a joint venture	-	-	-	(13,495)	-	-	-	-	-	4,420	-	(9,075)	-	(9,075)	
Shares issued under share option scheme (note 16(a))	102	-	63,337	-	-	-	-	-	-	(14,862)	-	48,577	-	48,577	
Shares issued under share award scheme (note 16(b))	111	-	137,094	-	-	-	-	-	-	(137,094)	-	111	-	111	
Equity settled share-based payments	-	-	-	-	-	-	-	-	-	724,497	-	724,497	-	724,497	
Equity settled share-based payments of ZEEKR's share awards	-	-	-	-	-	-	-	-	-	-	-	-	1,030,768	1,030,768	
Vesting of equity settled share-based payments of ZEEKR's share awards	-	-	-	484,881	-	-	-	-	-	-	-	484,881	(484,881)	-	
Acquisition of additional interests in ZEEKR (as defined in note 9(d)) from non-controlling interests	-	-	-	(4,814,176)	-	-	-	-	-	-	-	(4,814,176)	(1,092,096)	(5,906,272)	
ZEEKR shares repurchased by ZEEKR (as defined in note 9(d))	-	-	-	(161,421)	-	-	-	-	-	-	-	(161,421)	(25,324)	(186,745)	
Distribution paid on perpetual capital securities (note 9(c))	-	(144,840)	-	-	-	-	-	-	-	-	-	(144,840)	-	(144,840)	
Redemption of perpetual capital securities (note 20)	-	(3,413,102)	-	-	-	-	-	-	-	-	(208,798)	(3,621,900)	-	(3,621,900)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(126,452)	(126,452)	
Special Dividend Distribution (as defined in note 9(d))	-	-	-	89	-	-	-	-	-	-	(69,853)	(69,764)	103	(69,661)	
Final dividend approved and paid in respect of the previous year (note 9(b))	-	-	-	-	-	-	-	-	-	-	(2,050,555)	(2,050,555)	-	(2,050,555)	
Total transactions with owners	213	(3,557,942)	200,431	(4,577,439)	2,577,463	-	-	-	-	576,961	(4,906,669)	(9,686,982)	884,303	(8,802,679)	
Balance at 31 December 2024	184,020	-	18,367,380	(4,753,868)	4,916,822	-	(141,809)	(301,173)	(794,542)	4,071,616	65,193,779	86,742,225	5,677,705	92,419,930	

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	<i>Note</i>	2024	2023
		RMB'000	RMB'000
Cash flows from operating activities			
Profit before taxation		18,403,553	4,949,942
Adjustments for:			
Depreciation and amortisation		9,393,462	8,202,762
Equity settled share-based payments		1,746,925	646,336
Finance costs	8(a)	550,263	417,013
Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture	12	(9,097,711)	–
Gain on deemed disposal/partial disposal/disposal of investments accounted for using the equity method	6	(889,805)	(185,929)
Impairment loss on trade and other receivables	8(c)	127,248	160,300
Net impairment loss on non-financial assets	8(c)	987,825	317,001
Interest income	8(a)	(1,242,757)	(961,363)
Net foreign exchange loss		1,761,809	230,683
Net (gain)/loss on disposal/written off of property, plant and equipment, intangible assets and land lease prepayments	8(c)	(60,951)	301,539
Share of results of associates		(530,123)	(365,248)
Share of results of joint ventures		(438,790)	(233,845)
Gain on disposal of a subsidiary		(12,898)	–
Gain on bargain purchase of a subsidiary	6	(23,562)	–
Unrealised loss/(gain) on derivative financial instruments		15,216	(67,807)
		<hr/>	<hr/>
Operating profit before working capital changes		20,689,704	13,411,384
Inventories		(7,827,561)	(4,472,165)
Trade and other receivables		(16,545,339)	(2,901,827)
Trade and other payables		33,689,209	18,612,169
		<hr/>	<hr/>
Cash generated from operations		30,006,013	24,649,561
Income taxes paid		(3,498,586)	(2,307,192)
		<hr/>	<hr/>
<i>Net cash generated from operating activities</i>		26,507,427	22,342,369

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

	Note	2024 RMB'000	2023 RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,032,449)	(5,711,295)
Proceeds from disposal of property, plant and equipment, intangible assets and land lease prepayments		406,433	102,049
Proceeds from disposal of an associate		504,000	–
Additions of land lease prepayments		(478,115)	(171,923)
Additions of intangible assets		(9,803,847)	(9,439,276)
Initial/additional capital injection in associates		–	(1,111,000)
Initial/additional capital injection in joint ventures		–	(355,825)
Acquisition of a loan to an associate		–	(387,354)
Proceeds from the partial disposal of interests in joint ventures		2,164,798	577,101
Loan repayment from an associate		431,425	–
Loan repayment from joint ventures		2,100,000	–
Advance to a joint venture		–	(100,000)
Dividend received from a joint venture		427,500	300,000
Dividend received from associates		275,344	220,386
Change in restricted bank deposits		(1,740,115)	(796,267)
Net cash inflows/(outflows) on acquisition of subsidiaries	22	1,757,540	(193,198)
Net cash inflows on disposal of a subsidiary		32,434	–
Net cash outflows on deemed disposal of subsidiaries	12	(3,140,476)	–
Settlement of consideration payable for acquisition of a subsidiary in prior year	22	(152,980)	–
Interest received		1,116,599	921,956
<i>Net cash used in investing activities</i>		<u>(9,131,909)</u>	<u>(16,144,646)</u>
Cash flows from financing activities			
Dividends paid to equity holders of the Company	9(b)	(2,050,555)	(1,915,763)
Special dividend paid	9(d)	(69,661)	–
Dividends paid to non-controlling interests		(126,452)	(47,814)
Distribution paid on perpetual capital securities	9(c)	(144,840)	(142,437)
Capital contribution from non-controlling interests		–	5,373,118
Proceeds from issuance of ordinary shares of ZEEKR for ZEEKR Offering (as defined in note 9(d))		1,508,868	–
Proceeds from bank borrowings	21	611,447	662,813
Repayment of bank borrowings	21	(2,897,720)	–
Advances from related companies	21	3,000,000	1,898,730
Repayment of loan from a related company	21	(4,100,000)	(6,798,730)
Proceeds from issuance of bonds	21	2,000,000	1,500,000
Repayment of bonds payable	21	–	(2,068,422)
Redemption of perpetual capital securities	20	(3,621,900)	–
Proceeds from issuance of shares upon vesting of award shares	16(b)	111	121
Proceeds from issuance of shares upon exercise of share options	16(a)	48,577	–
ZEEKR shares repurchased by ZEEKR (as defined in note 9(d))		(186,745)	–
Acquisition of additional interests in ZEEKR (as defined in note 9(d)) from non-controlling interests		(5,900,000)	–
Payment of lease liabilities	21	(880,043)	(785,958)
Interest paid	21	(487,621)	(439,434)
<i>Net cash used in financing activities</i>		<u>(13,296,534)</u>	<u>(2,763,776)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2024

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net increase in cash and cash equivalents		4,078,984	3,433,947
Cash and cash equivalents at the beginning of the year		36,775,293	33,341,339
Effect of foreign exchange rate changes		10,723	7
Cash and cash equivalents at the end of the year		<u>40,865,000</u>	<u>36,775,293</u>
Analysis of balance of cash and cash equivalents:			
Bank balances and cash		40,865,000	35,745,963
Bank balances and cash included in assets classified as held for sale	<i>15</i>	<u>—</u>	<u>1,029,330</u>
		<u>40,865,000</u>	<u>36,775,293</u>

NOTES

For The Year Ended 31 December 2024

(Amounts expressed in thousands of Renminbi (“RMB”), unless otherwise stated)

1. GENERAL INFORMATION

Geely Automobile Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**SEHK**”).

As at 31 December 2024, the directors consider the immediate holding company of the Company is Proper Glory Holding Inc., which is incorporated in British Virgin Islands (the “**BVI**”). The ultimate holding company of the Company is Zhejiang Geely Holding Group Company Limited[#] (“**Geely Holding**”) 浙江吉利控股集團有限公司, which is incorporated in the People’s Republic of China (the “**PRC**”) and is beneficially owned by Mr. Li Shu Fu and his associates.

[#] The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong, and the applicable disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the SEHK (the “**Listing Rules**”).

The HKICPA has issued certain new and amended HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group’s interests in associates and joint ventures.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial assets are stated at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated financial statements have been prepared on a going concern basis. Although the Group was in a net current liabilities position as at 31 December 2024, the directors consider the cash inflow from profitable operations and the stand-by bank facilities available and believe the Group has sufficient financial resources to meet its present requirements.

The consolidated financial statements are presented in thousands of Renminbi (“RMB’000”), which is also the functional currency of the Company.

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual periods beginning on 1 January 2024

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except for those mentioned below, the adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 and Amendments to HKAS 1 “Non-current Liabilities with Covenants”

The amendments clarified the classification of debt and other liabilities as current or non-current, depending on whether an entity has a right to defer settlement of the liability for at least twelve months from the end of the reporting period. This right must exist at the end of the reporting period. Any expectations about events after the reporting period do not impact the assessment of the classification of the liabilities made at the end of the reporting period.

Covenants of a loan arrangement that an entity must comply with on or before the reporting date (even if the covenant is only assessed after the reporting date) affect the classification of that liability as current or non-current. Covenants that the entity is required to comply with after the reporting date do not affect the classification at the reporting date.

The amendments also define “settlements” of a liability, which includes the transfer of the entity’s own equity instrument. However, if the holder’s conversion option in a convertible bond is classified as equity in accordance with HKAS 32, the transfer of equity instruments by exercising the conversion option does not constitute settlement of liability and would be disregarded when determining whether the liability is current or non-current. If the holder’s conversion option is classified as a liability, such an option must be considered for the determination of the current/non-current classification of a convertible bond.

The amendments are applied retrospectively.

Based on the Group’s outstanding liabilities as at 1 January 2024, the application of the amendments did not result in the reclassification of the Group’s liabilities.

3.2 Issued but not yet effective HKFRSs

As at the date of this announcement, certain new and amended HKFRSs have been published but are not yet effective and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKAS 21	Lack of exchangeability ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to impact the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

HKFRS 18 will not impact the recognition and measurement of financial statement items but will affect their presentation. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax”, and “discontinued operation”), depending on the reporting entity's main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance on the aggregation and disaggregation of information in the financial statements.

In addition, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for the indirect method for the presentation of operating cash flows purposes; and
- eliminating the option for classifying interest and dividend cash flows as operating activities.

There are also consequential amendments to several other standards.

HKFRS 18 and the amendments to the other HKFRSs are effective for annual periods beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated income statement, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as “other”.

Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The major changes in the amendments to HKFRS 9 and HKFRS 7 are summarised as follows:

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“**SPPI**”) criterion;
- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g., some financial instruments with features linked to the achievement of environment, social and governance targets); and
- updated the disclosures for equity instruments designated at FVOCI.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained profits. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted, and the other amendments can be applied later. The directors of the Group expect that the amendments will have no material impact on the consolidated financial statements.

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company collectively, who determine the operating segments of the Group and review the Group’s internal reporting in order to assess performance and allocate resources. All of the Group’s business operations relate to the production and sales of automobiles, automobile parts and components and battery packs and related parts, provision of collaborative manufacturing services, research and development and related technological support services and licensing of related intellectual properties with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single business segment. No separate analysis of the segment results by reportable segment is necessary.

Geographical information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment (including right-of-use assets), intangible assets, interests in associates and joint ventures, goodwill and land lease prepayments (“**specified non-current assets**”). The geographical location of customers is based on the location at which the services are provided or the goods are delivered. The geographical location of the specified non-current assets is based on the physical location of the assets in the case of property, plant and equipment (including right-of-use assets) and land lease prepayments, the location of the operations to which they are allocated in the case of intangible assets and goodwill, and the location of operations of associates and joint ventures in the case of interests in associates and joint ventures.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from external customers		
The PRC	186,298,830	146,307,768
Eastern Europe	30,240,461	17,117,958
Pan Europe (note)	9,808,051	7,135,357
Asia Pacific (excluding the PRC)	5,710,035	2,781,043
Middle East	5,643,736	4,276,375
Latin America	1,926,865	1,194,986
Africa	482,530	344,177
Other countries	83,762	45,928
	<u>240,194,270</u>	<u>179,203,592</u>
Specified non-current assets		
The PRC	68,377,460	64,932,748
Other countries	22,341,406	5,674,870
	<u>90,718,866</u>	<u>70,607,618</u>

Note: Pan Europe includes countries such as the Netherlands, Sweden, and France.

Information about a major customer

Revenue from a customer which individually contributed over 10% of the Group's revenue is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Customer A [#]	<u>28,184,703</u>	<u>24,395,747</u>

[#] It includes a group of entities that are under common control of Mr. Li Shu Fu and his associates.

5. REVENUE

Revenue represents sales of automobiles, automobile parts and components, battery packs and related parts, provision of collaborative manufacturing services, provision of research and development and related technological support services and licensing of intellectual properties, net of value added tax (“VAT”) or related sales taxes and net of discounts. Revenue was mainly derived from customers located in the PRC.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Revenue from contracts with customers within the scope of HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”)		
Disaggregated by major products/services		
– Sales of automobiles and related services	203,060,905	149,623,061
– Sales of automobile parts and components	10,595,528	10,234,158
– Sales of battery packs and related parts	13,802,541	10,758,693
– Research and development and related technological support services	7,900,108	6,591,992
– Collaborative manufacturing income	4,316,070	528,962
– Licensing of intellectual properties	519,118	1,466,726
	<u>240,194,270</u>	<u>179,203,592</u>
Disaggregated by timing of revenue recognition		
– At a point in time	232,023,300	172,414,816
– Over time	8,170,970	6,788,776
	<u>240,194,270</u>	<u>179,203,592</u>

6. OTHER GAINS/(LOSSES), NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Government grants and subsidies (note)	815,156	958,900
Net foreign exchange loss	(1,619,227)	(125,827)
Net realised and unrealised loss on derivative financial instruments	(332,504)	(143,278)
Gain on deemed disposal/partial disposal/disposal of investments accounted for using the equity method	889,805	185,929
Logistic service income	144,044	104,880
Referral service income	124,004	24,755
Gain on disposal of scrap materials	104,704	46,765
Tooling income	101,681	68,506
Net gain/(loss) on disposal/written off of property, plant and equipment, intangible assets and land lease prepayments	60,951	(301,539)
Gain on written off of long outstanding payable	54,452	150,135
Rental income	41,155	23,230
Gain on bargain purchase for acquisition of a subsidiary (note 22)	23,562	–
Sundry income	496,959	374,725
	<u>904,742</u>	<u>1,367,181</u>

Note: Government grants and subsidies mainly related to cash subsidies from government in respect of operating activities which are either unconditional grants or grants with conditions having been satisfied.

7. TAXATION

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current tax:		
– PRC enterprise income tax	3,442,433	2,232,217
– Under-provision in prior years	183,140	42,809
	<u>3,625,573</u>	<u>2,275,026</u>
Deferred tax	(2,021,115)	(2,260,102)
	<u>1,604,458</u>	<u>14,924</u>

The provision for Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year.

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the year based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25% (2023: 25%).

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Also, certain PRC subsidiaries of the Group located in the western region of the PRC are engaged in the encouraged businesses. Accordingly, they enjoyed a preferential income tax rate of 15% for the years ended 31 December 2024 and 2023.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2018, enterprises engaging in research and development activities were entitled to claim 200% of their eligible research and development costs so incurred as tax deductible expenses when determining their assessable profits for that period (“**Super Deduction**”). The Group made its best estimate for the Super Deduction to be claimed for the Group’s PRC subsidiaries in ascertaining their assessable profits for the years ended 31 December 2024 and 2023.

The share of results of associates and joint ventures in the consolidated income statement is after income taxes accrued in the appropriate income tax jurisdictions.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the year can be reconciled from the profit before taxation per consolidated income statement as follows:

	2024	2023
	RMB'000	RMB'000
Profit before taxation	<u>18,403,553</u>	<u>4,949,942</u>
Tax at the PRC enterprise income tax rate of 25% (2023: 25%)	4,600,888	1,237,486
Tax effect of expenses not deductible	534,101	316,551
Tax effect of non-taxable income	(3,068,523)	(541,085)
Tax effect of unrecognised tax losses	513,395	306,135
Tax effect of unrecognised deductible temporary differences	126,540	5,599
Utilisation of previously unrecognised tax losses/deductible temporary differences	(41,145)	(62,981)
Tax effect of different tax rates of entities operating in other jurisdictions	74,754	(75,044)
Deferred tax charge related to withholding tax on undistributed profits from the PRC subsidiaries	84,981	23,897
Withholding tax on dividend declared by subsidiaries, a joint venture and associates	628,832	396,705
Effect of tax concessions and lower tax rates for certain PRC subsidiaries	(796,025)	(437,087)
Super Deduction for research and development costs	(1,278,350)	(893,097)
Changes in opening balance of deferred tax assets/liabilities arising from changes in tax rate	41,870	(304,964)
Under-provision in prior years	<u>183,140</u>	<u>42,809</u>
Tax expense for the year	<u>1,604,458</u>	<u>14,924</u>

The Group is also liable to withholding tax on dividends to be distributed from the Group's subsidiaries in the PRC in respect of their profits generated from 1 January 2008. Deferred tax liabilities of RMB84,981,000 (2023: RMB23,897,000) were recognised for the distributable profits not yet paid out as dividends that are generated by the PRC subsidiaries of the Group during the year.

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
(a) Finance income and costs		
Finance costs		
Interest on bank and other borrowings	375,867	129,118
Interest on discounted notes receivable	24,028	30,486
Interest on lease liabilities	86,705	75,643
Interest on loans from a related company	<u>63,663</u>	<u>181,766</u>
	<u>550,263</u>	<u>417,013</u>
Finance income		
Bank and other interest income	<u>(1,242,757)</u>	<u>(961,363)</u>
Net finance income	<u><u>(692,494)</u></u>	<u><u>(544,350)</u></u>
(b) Staff costs (including directors' emoluments) (note (a))		
Salaries, wages and other benefits	15,625,424	14,567,478
Retirement benefit scheme contributions (note (b))	1,296,109	1,177,145
Equity settled share-based payments	<u>1,753,552</u>	<u>900,655</u>
	18,675,085	16,645,278
Less: Staff costs capitalised	<u>(6,225,937)</u>	<u>(6,308,510)</u>
	<u><u>12,449,148</u></u>	<u><u>10,336,768</u></u>

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
(c) Other items		
Depreciation (<i>note (a)</i>):		
– Owned assets	3,220,040	2,787,080
– Right-of-use assets (including land lease prepayments)	<u>1,007,499</u>	<u>966,470</u>
Total depreciation	<u>4,227,539</u>	<u>3,753,550</u>
Impairment loss on non-financial assets, net:		
– Property, plant and equipment	279,799	205,456
– Intangible assets	638,266	–
– Joint venture	-	(138,632)
– Inventories	<u>69,760</u>	<u>250,177</u>
Total impairment loss on non-financial assets, net	<u>987,825</u>	<u>317,001</u>
Research and development expenses:		
Amortisation of intangible assets (related to capitalised product development costs)	5,095,891	4,449,212
Research and development costs	<u>5,323,349</u>	<u>3,360,785</u>
Total research and development expenses	<u>10,419,240</u>	<u>7,809,997</u>
Auditor's remuneration:		
– Audit services	7,589	7,192
– Non-audit services	1,890	880
Cost of inventories recognised as an expense (<i>note (a)</i>)	194,234,870	145,583,188
Impairment loss on trade and other receivables	127,248	160,300
Lease charges on short term leases	319,406	159,995
Net (gain)/loss on disposal/written off of property, plant and equipment, intangible assets and land lease prepayments	(60,951)	301,539
Net foreign exchange loss	1,619,227	125,827
Net claims paid on defective materials purchased	<u>295,295</u>	<u>301,806</u>

Notes:

- (a) Cost of inventories included RMB7,805,289,000 (2023: RMB7,334,535,000) relating to staff costs and depreciation, which amounts were also included in the respective total amounts disclosed separately for each of these types of expenses.
- (b) As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: RMBNil).

9. DIVIDENDS

(a) Dividends payable to ordinary equity holders of the Company attributable to the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend proposed after the end of reporting period of Hong Kong dollars (“ HK\$ ”) 0.33 (2023: HK\$0.22) per ordinary share	<u>3,113,411</u>	<u>2,033,286</u>

The final dividend proposed after the end of the reporting period has not been recognised as a liability as at 31 December 2024.

(b) Dividends payable to ordinary equity holders of the Company attributable to the previous financial year, approved and paid during the year:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.22 (2023: HK\$0.21) per ordinary share	<u>2,050,555</u>	<u>1,915,763</u>

(c) Distribution on perpetual capital securities

The Company distributed on perpetual capital securities of RMB144,840,000 (2023: RMB142,437,000) to the securities holders during the year ended 31 December 2024.

(d) Distribution on special dividend

In May 2024, ZEEKR Intelligent Technology Holding Limited (“**ZEEKR**”), a subsidiary of the Company, was spin-off and separately listed its American Depositary Shares (“**ADSs**”) on the New York Stock Exchange (the “**ZEEKR Offering**”). Pursuant to Practice Note 15 of the Listing Rules, in connection with the ZEEKR Offering, the Company resolved on 16 May 2024 to declare a special dividend of approximately HK\$75,208,000 (equivalent to approximately RMB69,853,000) to the Company’s qualifying shareholders for a certain portion of the ADSs of ZEEKR, by way of a distribution in specie or cash distribution (“**Special Dividend Distribution**”). The Special Dividend Distribution was approved by the shareholders at the extraordinary general meeting of the Company on 18 June 2024. Please refer to the Company’s announcements dated 16 May 2024 and 18 June 2024 for further details.

Specifically, approximately HK\$75,000,000 (equivalent to approximately RMB69,661,000) and 1,266 ADSs of ZEEKR (equivalent to 12,660 ordinary shares of ZEEKR) have been distributed from retained profits to the Company’s qualifying shareholders during the year ended 31 December 2024.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on profit for the year attributable to ordinary equity holders of the Company of RMB16,487,558,000 (2023: RMB5,165,971,000) and weighted average number of ordinary shares of 10,065,835,498 shares (2023: 10,059,168,511 shares), calculated as follows:

Profit attributable to ordinary equity holders of the Company

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Profit for the year attributable to the equity holders of the Company	16,632,398	5,308,408
Distribution paid on perpetual capital securities (<i>note 9(c)</i>)	<u>(144,840)</u>	<u>(142,437)</u>
Profit for the year attributable to ordinary equity holders of the Company	<u><u>16,487,558</u></u>	<u><u>5,165,971</u></u>

Weighted average number of ordinary shares (basic)

	2024	2023
Issued ordinary shares as at 1 January (<i>note 16</i>)	10,063,382,383	10,056,973,786
Effect of share options exercised	353,834	–
Effect of award shares vested	<u>2,099,281</u>	<u>2,194,725</u>
Weighted average number of ordinary shares as at 31 December	<u><u>10,065,835,498</u></u>	<u><u>10,059,168,511</u></u>

(b) **Diluted earnings per share**

The calculation of diluted earnings per share is based on profit for the year attributable to ordinary equity holders of the Company of RMB16,487,558,000 (2023: RMB5,165,971,000) and the weighted average number of ordinary shares (diluted) of 10,103,269,390 shares (2023: 10,130,002,011 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024	2023
Weighted average number of ordinary shares (basic) as at 31 December	10,065,835,498	10,059,168,511
Effect of deemed issue of shares under the Company's share option scheme (excluding those share options with anti-dilutive effect)	3,654,892	–
Effect of dilutive potential ordinary shares arising from award shares issued under the Company's share award scheme	<u>33,779,000</u>	<u>70,833,500</u>
Weighted average number of ordinary shares (diluted) as at 31 December	<u>10,103,269,390</u>	<u>10,130,002,011</u>

11. INTERESTS IN ASSOCIATES

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of unlisted investments	3,607,352	3,992,076
Share of post-acquisition results and other comprehensive income (including reserves)	515,165	233,523
Gain on bargain purchase upon subscription for an associate	1,749,734	1,749,734
Impairment loss recognised	<u>(3,349)</u>	<u>(3,349)</u>
	<u>5,868,902</u>	<u>5,971,984</u>

Details of the Group's interests in associates, which are unlisted corporate entities whose quoted market prices are not available and accounted for using the equity method in the consolidated financial statements as at 31 December 2024 and 2023, are as follows:

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				2024	2023	
Hanna Mando (Ningbo) Automobile Chassis System Technology Co., Limited [†] 漢拿萬都(寧波)汽車底盤系統科技有限公司	The PRC	Incorporated	United States dollars ("US\$") 85,000,000	35%	35%	Manufacturing of key components and electronic devices of automobile chassis
Closed Joint Stock Company BELGEE	The Republic of Belarus	Incorporated	Belarusian Ruble 234,535,000	36.7%	36.7%	Production, marketing and sales of vehicles
PT Geely Mobil Indonesia	The Republic of Indonesia	Incorporated	US\$3,260,200	30%	30%	Production, marketing and sales of vehicles
Times Geely Power Battery Company Limited [†] 時代吉利動力電池有限公司	The PRC	Incorporated	RMB501,000,000	49%	49%	Research and development, manufacture and sales of battery cells, battery modules and battery packs
Zhejiang Haohan Energy Technology Company Limited [†] 浙江浩瀚能源科技有限公司	The PRC	Incorporated	RMB500,000,000	30%	30%	Research and development of automobile charging systems and technologies, provision of automobile charging services and operation of automobile charging points and network
Wuxi Xingqu Technology Company Limited [†] ("Wuxi Xingqu") 無錫星驅科技有限公司	The PRC	Incorporated	RMB70,000,000 (2023: RMB61,250,000)	24.15%	27.6%	Research and development of automobile parts and components
Zhejiang Shuangli Automobile Intelligent Technology Company Limited [†] 浙江雙利汽車智能科技有限公司	The PRC	Incorporated	RMB90,000,000	35%	35%	Research, development and manufacturing of automobiles parts

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				2024	2023	
Renault Korea Co., Ltd. (“ Renault Korea ”) (formerly known as Renault Korea Motors Co., Ltd.)	The Republic of Korea	Incorporated	South Korean Won (“ KRW ”) 666,875,000,000	34.02%	34.02%	Design, development, manufacturing, production, assembly, sales, distribution, import, export and marketing of automobiles, related parts and accessories
Guangdong Xinyueng Semiconductor Company Limited [‡] (“ Xinyueng ”) 廣東芯粵能半導體有限公司	The PRC	Incorporated	RMB457,931,035 (2023: RMB400,000,000)	26.07%	– (note 12)	Provision of integrated circuit design, manufacturing, sales and the manufacturing of semiconductors
Chongqing Livan Automotive Technology Company Limited [‡] (“ Chongqing Livan ”) 重慶睿藍汽車科技有限公司	The PRC	Incorporated	RMB1,450,000,000	–*	45%	Research and development, sales and operations of vehicles (including but not limited to battery swapping vehicles)
Zhejiang Xingchuang Automotive Software Technology Co., Ltd. [‡] 浙江星創汽車軟件科技有限公司	The PRC	Incorporated	RMB40,000,000	45%	45%	Research and development of automotive software
Hangzhou Qingwei Technology Company Limited [‡] 杭州擎威科技有限公司	The PRC	Incorporated	RMB100,000,000	30%	30%	Research, development and manufacturing of automobiles parts and electronic control system
Shangjian (Zhejiang) Motor Vehicle Inspection Technology Company Limited [‡] 上檢(浙江)機動車檢測技術有限公司	The PRC	Incorporated	RMB60,000,000	30%	30%	Provision of high-quality testing and technical services for the development of new energy vehicles and intelligent connected vehicles
PROTON Holdings Berhad (“ PROTON ”)	Malaysia	Incorporated	Malaysian Ringgit (“ RM ”) 1,009,513,000	49.9%	49.9%	Manufacturing and sales of vehicles under the “ PROTON ” brand in Southeast Asia
DRB-HICOM Geely Sdn. Bhd.	Malaysia	Incorporated	RM1,000	49.9%	49.9%	Investment holding

All associates are indirectly held by the Company.

* Chongqing Livan was disposed of by the Group in February 2024.

Chongqing Livan

In February 2024, Zhejiang Jirun Automobile Company Limited[#] (“**Jirun Automobile**”) 浙江吉潤汽車有限公司, an indirect non wholly-owned subsidiary of the Company, and a fellow subsidiary owned by Geely Automobile Group Company Limited[#] (“**Geely Automobile Group**”) 吉利汽車集團有限公司 entered into an equity transfer agreement pursuant to which Jirun Automobile has agreed to sell 45% equity interest in Chongqing Livan at a cash consideration of RMB504,000,000. The disposal of Chongqing Livan was completed in February 2024. The gain on disposal of investment in Chongqing Livan of RMB166,295,000 was recognised in “Other gains/(losses), net” in the consolidated income statement during the year ended 31 December 2024.

Renault Korea

On 9 May 2022, Centurion Industries Limited (“**CIL**”), a wholly-owned subsidiary of the Company, entered into a subscription agreement with Renault Korea, pursuant to which CIL agreed to subscribe for, and Renault Korea agreed to allot and issue an aggregate of 45,375,000 common shares of Renault Korea at a consideration of approximately KRW264 billion (equivalent to approximately RMB1,426,905,000). The subscription agreement was completed on 30 November 2022.

As part of the subscription agreement, Renault Korea made a dividend guarantee to CIL, which applies to a notifiable transaction under Rule 14.36B of the Listing Rules. The dividend guarantee stipulated that if the completion of the subscription agreement occurred on or before 31 December 2022, the total dividends paid to CIL for the two fiscal years ending 31 December 2022 and 2023 would not be less than KRW63 billion (equivalent to approximately RMB335 million), which includes both ordinary dividends and interim dividends. Otherwise, Renault Korea would be liable to pay the difference to CIL.

The Company is pleased to report that Renault Korea declared and paid total dividends of not less than KRW63 billion (equivalent to approximately RMB335 million) for the two fiscal years ending 31 December 2022 and 2023, meeting the minimum amount required by the dividend guarantee.

Wuxi Xingqu

During the year ended 31 December 2024, the Group and other investors entered into an investment agreement, pursuant to which other investors agreed to inject RMB300,000,000 into Wuxi Xingqu. This investment resulted in an increase of Wuxi Xingqu’s registered capital by RMB8,750,000 from RMB61,250,000 to RMB70,000,000, with the remaining RMB291,250,000 allocated to Wuxi Xingqu’s capital reserve. Consequently, the Group’s equity interests in Wuxi Xingqu were diluted from 27.6% to 24.15%. As a result of this transaction, a gain on deemed disposal of investment in Wuxi Xingqu of RMB5,791,000 was recognised in “Other gains/(losses), net” in the consolidated income statement during the year ended 31 December 2024.

Xinyueneng

As at 31 December 2024, the Group and external investors entered into an equity transfer agreement and a capital injection agreement, pursuant to which the Group partially disposed of approximately 9.9% equity interest in Xinyueneng for a cash consideration of RMB536,000,000, while the external investors injected RMB840,000,000 into the entity.

Following these transactions, the Group’s equity interest in Xinyueneng changed from 40% to 26.07%, and the Group can now only exert significant influence over the financial and operating activities of Xinyueneng.

Therefore, the Group’s investment in Xinyueneng was reclassified from a joint venture to an associate.

As a result of these transactions, a gain on deemed disposal of investment in Xinyueneng of RMB717,719,000 was recognised in “Other gains/(losses), net” in the consolidated income statement during the year ended 31 December 2024. The capital injection from external investors resulted in an increase of Xinyueneng’s registered capital by RMB57,931,035 from RMB400,000,000 to RMB457,931,035.

[#] The English translations of the names of the companies established in the PRC are for reference only. The official names of these companies are in Chinese.

Summarised financial information of PROTON and its subsidiaries (“**PROTON Group**”), and Renault Korea, the Group’s material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated financial statements, are disclosed below:

	PROTON Group		Renault Korea	
	2024	2023	2024	2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current assets	10,772,863	10,454,171	5,813,197	5,530,345
Current assets	4,750,819	4,869,110	7,125,798	7,059,804
Current liabilities	(4,007,682)	(4,867,109)	(3,652,163)	(2,533,372)
Non-current liabilities	(3,929,606)	(2,821,997)	(857,533)	(584,082)
Net assets	<u>7,586,394</u>	<u>7,634,175</u>	<u>8,429,299</u>	<u>9,472,695</u>

	PROTON Group		Renault Korea	
	For the year ended 31 December 2024	For the period from 28 April 2023 (date of acquisition) to 31 December 2023	For the year ended 31 December 2024	For the year ended 31 December 2023
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	14,713,608	9,551,053	19,884,215	17,828,037
Profit for the year/period	344,532*	293,903*	355,861	495,517
Other comprehensive income/(expense) for the year/period	185,053	140	(933,790)	140,385
Total comprehensive income/(expense) for the year/period	529,585	294,043	(577,929)	635,902
Movement of capital reserve	16	282,600	(10,346)	–
Dividend received from an associate	–	–	154,832	180,375

* Profit for the year/period, attributable to ordinary shareholders, amounted to RMB190,424,000 (2023: RMB230,258,000).

	PROTON Group		Renault Korea	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net assets of the associates	7,586,394	7,634,175	8,429,299	9,472,695
Adjustment (<i>note</i>)	(5,423,299)	(5,798,555)	–	–
	2,163,095	1,835,620	8,429,299	9,472,695
The Group's effective interests in the associates	49.9%	49.9%	34.02%	34.02%
	1,079,384	915,974	2,867,648	3,222,611
Goodwill	403,701	403,701	–	–
Carrying amount of the Group's interests in associates	1,483,085	1,319,675	2,867,648	3,222,611

Note: The amounts represented the non-controlling interests in the subsidiary of PROTON and cumulative preference shares that are held by parties other than the Group in PROTON and the related undeclared dividend.

Aggregate financial information of associates that are not individually material:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Aggregate amounts of the Group's share of profit for the year	314,038	227,158
Aggregate amounts of the Group's share of other comprehensive income for the year	45,451	9,482
Aggregate carrying amount of the Group's interests in these associates	1,518,169	1,042,796

12. INTERESTS IN JOINT VENTURES

	2024 RMB'000	2023 RMB'000
Cost of unlisted investments	23,478,383	7,305,706
Unrealised gain on disposal of a subsidiary to a joint venture	(14,943)	(14,943)
Share of post-acquisition results and other comprehensive income (including reserves)	<u>2,091,861</u>	<u>2,440,215</u>
	<u>25,555,301</u>	<u>9,730,978</u>

Details of the Group's joint ventures which are unlisted corporate entities whose quoted market prices are not available and accounted for using the equity method in the consolidated financial statements as at 31 December 2024 and 2023, are as follows:

Name of joint ventures	Place of establishments and operations	Form of business structure	Particulars of registered capital	Proportion of ownership interest held by the Group		Principal activities
				2024	2023	
Genius Auto Finance Company Limited ^{#*} ("Genius AFC") 吉致汽車金融有限公司	The PRC	Incorporated	RMB4,000,000,000	75%	75%	Vehicles financing business
LYNK & CO Automotive Technology Co., Ltd. [#] ("LYNK & CO Automotive Technology") 領克汽車科技有限公司 (formerly known as LYNK & CO Investment Co., Ltd. [#] 領克投資有限公司)	The PRC	Incorporated	RMB7,500,000,000	50%	50%	Manufacturing and sales of vehicles under the "Lynk&Co" brand
Zhejiang Geely AISIN Automatic Transmission Company Limited [#] ("Zhejiang AISIN") 浙江吉利愛信自動變速器有限公司	The PRC	Incorporated	US\$117,000,000	40%	40%	Manufacturing and sales of front-wheel drive 8-speed automatic transmissions and related parts and components
Shandong Geely Sunwoda Power Battery Company Limited [#] 山東吉利欣旺達動力電池有限公司	The PRC	Incorporated	RMB100,000,000	41.5%	41.5%	Development, production, sales and after-sales service of hybrid battery cells, battery modules and battery packs
Xinyueneng	The PRC	Incorporated	RMB457,931,035 (2023: RMB400,000,000)	-	40%	Provision of integrated circuit design, manufacturing, sales and the manufacturing of semiconductors (note 11)
Horse Powertrain Limited ("Horse Powertrain")	The United Kingdom	Incorporated	Euro ("EUR") 6,000,000,000	29.7%	-	Research, development, production and sales of vehicle engines, transmissions and related after-sales parts

* Genius AFC is directly held by the Company.

Genius AFC

On 11 August 2020, BNPP PF served a written notice to the Company on the exercise of the call option associated with the joint venture agreement (the “**Call Option**”) pursuant to which, subject to the agreement on the exercise price and other terms, BNPP PF will acquire from the Company such additional equity interest in Genius AFC to increase its equity interest in Genius AFC up to 50%.

On 11 July 2022, the Company entered into the equity transfer agreement (the “**Equity Transfer Agreement**”) with BNPP PF and its wholly owned subsidiary as purchaser in relation to the exercise of the Call Option by BNPP PF, pursuant to which the wholly owned subsidiary of BNPP PF has conditionally agreed to purchase from the Company and the Company has conditionally agreed to sell to the wholly owned subsidiary of BNPP PF an interest of 5% in the registered capital of Genius AFC at an initial cash consideration of approximately RMB420,706,000, which will be subsequently adjusted for any change in the book value of Genius AFC between 31 July 2020 and the completion date which will be determined and confirmed in the audited financial statements of Genius AFC as at the completion date. The transaction contemplated under the Equity Transfer Agreement has been completed in August 2023. The upward adjustment to the initial cash consideration is approximately RMB156,395,000, resulting in the total consideration of RMB577,101,000 under the Equity Transfer Agreement. The gain on partial disposal of investment in Genius AFC of RMB175,721,000 was recognised in “Other gains/(losses), net” in the consolidated income statement during the year ended 31 December 2023.

As at 31 December 2024, the aggregate bank balances deposited by the Group with Genius AFC amounted to approximately RMB6,150,000,000 (2023: RMB6,900,000,000).

Zhejiang AISIN

From the second quarter of 2023 onwards, Zhejiang AISIN experienced a significant increase in sales, primarily driven by the increase in market demand for the 8-speed automatic transmissions and the commencement of mass production. As a result, Zhejiang AISIN achieved operating profits for the year ended 31 December 2023. The management of the Group conducted an impairment assessment and evaluated the recoverable amounts of its interest in Zhejiang AISIN. The management of the Group used the value in use of the interest in Zhejiang AISIN as its recoverable amount. In determining the value in use of the interest in Zhejiang AISIN, the directors of the Company estimated the present value of the estimated future cash flows arising from its share of the estimated future cash flows expected to be generated by Zhejiang AISIN. The pre-tax discount rate used to determine the recoverable amount is approximately 15%. Based on the assessment, the recoverable amount was determined to be RMB196,336,000. Accordingly, the Group recognised a reversal of the impairment loss on interest in Zhejiang AISIN amounting to RMB138,632,000 during the year ended 31 December 2023. This reversal of impairment loss reflects the improved performance and outlook for Zhejiang AISIN, driven by its increased sales, stable production, and the anticipated growth in market share, leading to higher future cash flow projections.

Horse Powertrain

On 8 November 2022, the Company, Geely Holding, and Renault S.A.S. (collectively, “**the Parties**”) entered into a framework agreement to establish a joint venture company (the “**JV**”). They agreed to contribute all their respective shares in certain of their subsidiaries to the JV in exchange for the JV’s share capital (the “**Contribution**”), integrating their expertise in internal combustion engine, hybrid, and plug-in hybrid powertrain technologies.

On 11 July 2023, the Parties executed contribution and joint venture agreements to form Horse Powertrain, which will engage in the manufacturing and sale of powertrain business. Under these agreements, the Company agreed to contribute its entire equity interest in Aurobay Holding (SG) PTE. LTD. and its subsidiaries (“**Aurobay Holding**”) to Horse Powertrain. The contribution value of each subsidiary’s entire issued share capital (the “**Contribution Values**”) will be determined by the enterprise value of each subsidiary, adjusted for cash, debts, debt-like instruments, and minority interests. The maximum contribution values agreed by the Parties were EUR2,310,000,000 for the Company, EUR1,190,000,000 for Geely Holding, and EUR3,500,000,000 for Renault S.A.S., subject to adjustments in the ratio of 33:17:50 respectively. As at 31 December 2023, the assets and liabilities of Aurobay Holding were classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” (“**HKFRS 5**”). Please refer to note 15 for further details.

In May 2024, the Contribution and formation of the JV were completed under the name Horse Powertrain, incorporated in the United Kingdom. According to the contribution agreement dated 11 July 2023, the Contribution Values should be determined by the enterprise value of each subsidiary contributed and applicable adjustments based on the audited consolidated or combined accounts at the completion date (the “**Definitive Contribution Values**”).

Upon completion of the transaction on 31 May 2024, the Group’s interest in Aurobay Holding was diluted from 100% to 33%, resulting in a gain on deemed disposal of subsidiaries of RMB7,660,446,000, being the difference between the fair value of 33% equity interest in Horse Powertrain and the net assets disposed of. In October 2024, the Definitive Contribution Values were re-calculated and exceeded the maximum contribution values agreed by the Parties (exceeded by approximately EUR215,451,000 (equivalent to RMB1,695,189,000, based on the foreign exchange rate ruling at the completion date) for the Group). According to the contribution agreement dated 11 July 2023, a loan agreement with Horse Powertrain was signed by the Parties. Horse Powertrain recognised the excess of the Definitive Contribution Values over the maximum contribution values as a liability under the shareholder loan, while the Group recognised the loan to a joint venture as its asset and further adjusted upward the gain on deemed disposal of subsidiaries, amounting to approximately EUR215,451,000 (equivalent to RMB1,695,189,000, based on the foreign exchange rate ruling at the completion date). This led to a total gain on deemed disposal of subsidiaries of approximately RMB9,264,384,000, net of transaction costs. The annual interest rate on this loan is the 3-month EURIBOR plus 2.75%. It is unsecured and repayable in May 2027.

The net assets disposed of (which were included in “Assets classified as held for sale” and “Liabilities directly associated with assets classified as held for sale”) at the completion date of the above transaction are set out as follows:

	<i>RMB'000</i>
Net assets disposed of:	
Property, plant and equipment	10,020,847
Intangible assets	4,690,527
Land lease prepayments	407,121
Goodwill	30,091
Trade and other receivables	1,933,814
Deferred tax assets	530,105
Inventories	661,584
Income tax recoverable	10,953
Restricted bank deposits	42,132
Bank balances and cash	3,140,476
Trade and other payables	(8,553,945)
Lease liabilities	(66,727)
Borrowings	(2,329,590)
Income tax payable	(3,650)
Deferred tax liabilities	(879)
	<hr/>
	10,512,859
Reclassification adjustment on fair value recycling released on deemed disposal of subsidiaries	<hr/> 2,006
	<hr/> 10,514,865 <hr/>
Fair value of 33% equity interest of Horse Powertrain	19,870,500
Less: Net assets disposed of	(10,514,865)
Transaction costs incurred on deemed disposal	(91,251)
	<hr/>
Gain on deemed disposal of subsidiaries	9,264,384 <hr/> <hr/>
Net cash outflow arising from the deemed disposal of subsidiaries:	
Bank balances and cash disposed of	<hr/> 3,140,476 <hr/>

Investment from Aramco Asia Singapore

On 28 June 2024, the Parties signed an agreement with Aramco Asia Singapore to sell a 10% equity interest in Horse Powertrain. Upon completion, the ownership structure was: Aramco Asia Singapore (10%), the Company (29.7%), Geely Holding (15.3%), and Renault S.A.S. (45%). This transaction was completed in December 2024. Consequently, the Company disposed of 3.3% of its equity interest in Horse Powertrain with a carrying amount of EUR231,000,000 (equivalent to approximately RMB1,795,471,000), for a provisional cash consideration of EUR213,840,000 (equivalent to approximately RMB1,628,798,000). This resulted in a provisional loss on partial disposal of the joint venture amounted to EUR17,160,000 (equivalent to approximately RMB166,673,000), which was recognised in “Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture” in the consolidated income statement for the year ended 31 December 2024.

The provisional cash consideration for Aramco Asia Singapore’s investment is subject to adjustments based on the final audited financial information of Horse Powertrain. The final consideration will be determined based on 10% of Horse Powertrain’s enterprise value, adjusted for cash, debts, minority interests, and working capital variances. Further adjustments may be made by the Parties and Aramco Asia Singapore with reference to the final audited financial information pursuant to the agreement.

Upon completion of the transaction, the Parties, Aramco Asia Singapore, and Horse Powertrain entered into an amended joint venture agreement to replace the initial joint venture agreement dated 11 July 2023. According to the amended joint venture agreement, the board of directors will consist of a maximum of ten directors, with each shareholder entitled to appoint one director for each 10% holding interest. Certain key corporate decisions require majority approval from both Renault S.A.S. directors and Company/Geely Holding directors collectively, or unanimous consent from the Company and the other shareholders, establishing joint control. Therefore, Horse Powertrain is under the joint control of the Group and other shareholders, as key corporate decisions cannot be made without the parties’ agreement. Accordingly, the investment in Horse Powertrain is classified as a joint venture of the Group and accounted for using the equity method.

Summarised financial information of the Horse Powertrain and its subsidiaries (“**Horse Powertrain Group**”), LYNK & CO Automotive Technology and its subsidiaries (“**LYNK & CO Group**”) and Genius AFC, adjusted for any differences in accounting policies, and reconciled to the carrying amount in the consolidated statement of financial position, are disclosed below:

	Horse Powertrain Group 2024 RMB'000	LYNK & CO Group 2024 RMB'000	2023 RMB'000
Non-current assets	69,641,928	18,594,138	22,867,065
Current assets	31,620,209	28,588,178	23,199,325
Current liabilities	(25,879,873)	(37,170,835)	(34,363,313)
Non-current liabilities	(20,070,309)	(4,751,167)	(4,898,518)
Net assets	<u>55,311,955</u>	<u>5,260,314</u>	<u>6,804,559</u>

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	7,650,198	2,136,946	4,690,344
Current financial liabilities (excluding trade and other payables and provisions)	(2,541,414)	(1,547,308)	(4,670,930)
Non-current financial liabilities (excluding trade and other payables and provisions)	<u>(15,666,271)</u>	<u>(2,969,759)</u>	<u>(3,767,263)</u>

	Genius AFC 2024 RMB'000	2023 RMB'000
Total assets	60,733,584	59,390,922
Total liabilities	<u>(52,191,673)</u>	<u>(51,319,182)</u>
Net assets	<u>8,541,911</u>	<u>8,071,740</u>

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	4,752,362	4,284,058
Financial liabilities (excluding trade and other payables and provisions)	<u>(49,453,422)</u>	<u>(48,265,003)</u>

	Horse Powertrain Group		LYNK & CO Group		Genius AFC	
	For the period from 31 May 2024 (date of completion) to 31 December 2024		For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000		RMB'000		RMB'000	
			2023		2024	
Revenue	54,713,640	46,169,553	34,786,363	4,071,776	4,405,778	
Profit/(Loss) for the period/year	1,149,291	(1,627,656)	(1,104,660)	1,070,170	1,212,845	
Other comprehensive (expense)/ income for the period/year	(1,534,749)	77,610	(92,546)	-	-	
Total comprehensive (expense)/ income for the period/year	(385,458)	(1,550,046)	(1,197,206)	1,070,170	1,212,845	
Movement of reserves	(18,834)	-	-	-	-	
Dividend received from a joint venture	-	-	-	450,000	300,000	
	_____	_____	_____	_____	_____	
The above profit/(loss) for the period/year including the following:						
Depreciation and amortisation	(4,680,464)	(4,185,648)	(3,436,035)	(51,121)	(54,406)	
Interest income	138,658	198,799	113,880	3,834,726	4,216,499	
Interest expense	(535,780)	(503,245)	(322,568)	(1,468,294)	(1,623,217)	
Income tax (expense)/credit	(55,645)	(54,023)	497,971	(419,468)	(492,998)	
	_____	_____	_____	_____	_____	

Reconciliation of the above summarised financial information to the carrying amount of the Group's interests in joint ventures recognised in the consolidated statement of financial position:

	Horse Powertrain Group	LYNK & CO Group		Genius AFC	
	2024	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(note)</i>				
Net assets of the joint ventures	55,311,955	5,260,314	6,804,559	8,541,911	8,071,740
Non-controlling interests of the subsidiaries	(654,421)	(5,202)	—	—	—
	54,657,534	5,255,112	6,804,559	8,541,911	8,071,740
The Group's effective interests in the joint ventures	29.7%	50%	50%	75%	75%
The Group's share of the net assets of the joint ventures	16,233,288	2,627,556	3,402,280	6,406,433	6,053,805
Unrealised gain on disposal of a subsidiary to a joint venture	—	(14,943)	(14,943)	—	—
Provisional goodwill <i>(note)</i>	—	—	—	—	—
Carrying amount of the Group's interests in joint ventures	16,233,288	2,612,613	3,387,337	6,406,433	6,053,805

Note: As at the date of this announcement, the valuation of Horse Powertrain's identifiable assets and liabilities is ongoing. Accordingly, the assets contributed and liabilities recognised at the completion date have been determined on a provisional basis. Upon finalisation of the valuation, goodwill arising on completion may change accordingly and may be adjusted within one year of the completion date, in accordance with HKFRS 3 "Business Combinations".

Aggregate financial information of joint ventures that are not individually material:

	2024	2023
	RMB'000	RMB'000
Aggregate amounts of the Group's share of profit/(loss) for the year	120,746	(161,895)
Aggregate amounts of the Group's share of other comprehensive income for the year (including reserves)	—	2,627
Aggregate carrying amount of the Group's interests in these joint ventures	302,967	289,836

13. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade and notes receivables			
Trade receivables, net of loss allowance			
– Third parties		4,035,872	2,093,037
– Joint ventures		1,742,652	2,310,242
– Associates		1,452,905	2,186,036
– Related companies controlled by the substantial shareholder of the Company		<u>11,193,408</u>	<u>9,190,957</u>
Notes receivable	(a)	18,424,837	15,780,272
	(b)	<u>29,032,947</u>	<u>20,118,021</u>
		<u>47,457,784</u>	<u>35,898,293</u>
Deposit, prepayment and other receivables			
Prepayment to suppliers			
– Third parties		1,821,576	1,116,843
– Joint ventures		36,663	–
– Associates		28,000	14,424
– Related companies controlled by the substantial shareholder of the Company		<u>349,427</u>	<u>25,027</u>
		2,235,666	1,156,294
Deposits paid for acquisition of property, plant and equipment and intangible assets		92,014	232,900
Other contract costs	(c)	803,903	667,482
Utility deposits and other receivables		2,531,330	1,954,066
Loan to an associate	(d)	–	416,726
Loans to the joint ventures	(e)	3,632,019	100,000
VAT and other taxes receivables		<u>6,315,444</u>	<u>4,085,200</u>
		15,610,376	8,612,668
Amounts due from related companies controlled by the substantial shareholder of the Company	(f)	<u>49,264</u>	<u>95,437</u>
		<u>15,659,640</u>	<u>8,708,105</u>
		<u>63,117,424</u>	<u>44,606,398</u>
<i>Representing:</i>			
– Current		58,306,524	42,710,734
– Non-current		<u>4,810,900</u>	<u>1,895,664</u>
		<u>63,117,424</u>	<u>44,606,398</u>

(a) Trade receivables

The Group allows average credit periods ranged from 30 days to 90 days (2023: 30 days to 90 days) to its PRC customers from sales of automobiles, automobile parts and components and battery packs and related parts, provision of collaborative manufacturing services, provision of research and development and related technological support services and licensing of intellectual properties. Ageing analysis of the trade receivables of the PRC customers, based on invoice date and net of loss allowance, at the end of the reporting period was as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 60 days	12,758,663	11,298,390
61 – 90 days	577,276	423,922
91 – 365 days	845,605	491,158
Over 365 days	577,592	218,963
	<u>14,759,136</u>	<u>12,432,433</u>

For overseas customers, the Group allows credit periods ranged from 30 days to 210 days (2023: 30 days to 210 days). Ageing analysis of the trade receivables of the overseas customers, based on invoice date and net of loss allowance, at the end of the reporting period was as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
0 – 60 days	3,368,232	2,474,966
61 – 90 days	68,952	620,678
91 – 365 days	188,878	252,195
Over 365 days	39,639	–
	<u>3,665,701</u>	<u>3,347,839</u>

As at 31 December 2024, the Group has adopted average expected loss rate of 0.2% to 3.1% (2023: 0.3% to 3.0%) on the gross carrying amount of trade receivables amounted to RMB18,675,492,000 (2023: RMB16,011,607,000). The loss allowance as at 31 December 2024 was RMB250,655,000 (2023: RMB231,335,000).

(b) Notes receivable

All notes receivable are denominated in RMB. As at 31 December 2024 and 2023, all notes receivable were guaranteed by established banks in the PRC and have maturities of less than one year from the end of the reporting period.

The Group manages its notes receivable using the business model whose objective is achieved by both collecting contractual cash flows and selling of these assets. Accordingly, notes receivable are classified as financial assets at FVOCI (recycling) in accordance with HKFRS 9 and are stated at fair value. The fair value is based on the net present value as at 31 December 2024 and 2023 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable. The fair value is within Level 2 of the fair value hierarchy under HKFRS 13 “Fair Value Measurement” (“**HKFRS 13**”).

As at 31 December 2024, the Group endorsed certain notes receivable accepted by banks in PRC (the “**Endorsed Notes**”) with a carrying amount of RMB799,337,000 (2023: RMB134,297,000) 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 Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As at 31 December 2024, the aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB799,337,000 (2023: RMB134,297,000).

As at 31 December 2024, the Group discounted and endorsed certain notes receivable accepted by banks in the PRC (the “**Derecognised Notes**”) to certain banks to obtain additional financing or settle trade payables due to suppliers, with a total carrying amount of RMB63,649,902,000 (2023: RMB66,983,025,000). The Derecognised Notes had a maturity of less than one year (2023: less than one year) at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated liabilities. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts.

(c) Other contract costs

Other contract costs capitalised as at 31 December 2024 and 2023 related to the costs incurred in providing internet connectivity services that is used to satisfy the performance obligations for providing such services to customers in the respective sales of automobile contracts at the end of the reporting period. Contract costs are amortised in line with the recognition of the respective revenue in accordance with the terms of the contracts. There was no impairment in relation to the contract costs capitalised during the year (2023: RMBNil).

(d) Loan to an associate

The loan was fully repaid by an associate during the year ended 31 December 2024.

(e) Loans to the joint ventures

As at 31 December 2023, the loan to a joint venture, Xinyueneng, amounted to RMB100,000,000 was unsecured, repayable in 2024 and carried interest rate at 3.65% per annum. The Group has the right to convert any unpaid loan amount into equity of the joint venture at any time after the loan matures, based on the latest round of financing valuation of the joint venture. The loan was repaid during the year ended 31 December 2024.

As at 31 December 2024, due to the formation of Horse Powertrain, the advance to former subsidiaries, Aurobay Holding, became loans to a joint venture, amounting to RMB4,000,000,000 in aggregate. RMB2,000,000,000 was repaid during the year ended 31 December 2024. Regarding the unrepaid RMB2,000,000,000, this includes entrusted loans receivable of RMB1,500,000,000, which represent the amounts advanced to the subsidiary of Horse Powertrain through a bank. The loans carry an interest rate ranging from 3.6% to 4.65% per annum, are unsecured, repayable between 2026 and 2027, and are measured at amortised cost.

In October 2024, a loan agreement with Horse Powertrain was signed by the Parties (as defined in note 12) and the Group recognised the loan to a joint venture amounted to approximately EUR215,451,000 (equivalent to RMB1,632,019,000 as at 31 December 2024). The loan was denominated in EUR, unsecured and carried at amortised cost. It also carries an interest rate of 3-month EURIBOR plus a margin of 2.75% per annum and is repayable in May 2027. For details, please refer to note 12.

(f) Amounts due from related companies

The amounts due are unsecured, interest-free and repayable on demand.

14. TRADE AND OTHER PAYABLES

	<i>Note</i>	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade and notes payables			
Trade payables			
– Third parties		47,066,117	34,361,942
– Joint ventures		2,777,191	806,737
– Associates		1,214,899	327,926
– Related companies controlled by the substantial shareholder of the Company		19,362,768	17,880,490
		<hr/>	<hr/>
	<i>(a)</i>	70,420,975	53,377,095
Notes payable	<i>(b)</i>	16,019,910	5,693,442
		<hr/>	<hr/>
		86,440,885	59,070,537
		<hr/>	<hr/>

	<i>Note</i>	2024 RMB'000	2023 <i>RMB'000</i>
Other payables			
Receipts in advance from customers	(c)		
– Third parties		21,036,444	13,949,928
– Joint ventures		75,081	70,774
– Associates		264,131	173,635
– Related companies controlled by the substantial shareholder of the Company		393,220	379,308
		21,768,876	14,573,645
Deferred government grants which conditions have not been satisfied		344,843	466,150
Payables for acquisition of property, plant and equipment		1,476,704	1,451,621
Payables for capitalised product development costs	(d)	2,560,039	2,188,584
Accrued staff salaries and benefits		3,152,901	2,614,265
VAT and other taxes payables		3,944,255	2,297,860
Consideration payable for acquisition of a subsidiary (note 22)		–	152,980
Other accrued charges and payables	(e)	8,974,803	6,666,555
		42,222,421	30,411,660
Amounts due to related companies controlled by the substantial shareholder of the Company	(f)	125,939	637,659
		42,348,360	31,049,319
		128,789,245	90,119,856
<i>Representing:</i>			
– Current		125,378,530	87,398,188
– Non-current		3,410,715	2,721,668
		128,789,245	90,119,856

(a) Trade payables

Ageing analysis of trade payables, based on invoice date, at the end of the reporting period was as follows:

	2024 RMB'000	2023 <i>RMB'000</i>
0 – 60 days	63,634,514	43,449,517
61 – 90 days	5,192,369	7,216,919
91 – 365 days	1,504,409	2,621,755
Over 365 days	89,683	88,904
	70,420,975	53,377,095

Trade payables are non-interest bearing. The average credit period on the settlement of purchase invoice ranged from 60 days to 90 days (2023: 60 days to 90 days).

(b) Notes payable

All notes payable are denominated in RMB and are notes paid and/or payable to third parties for the settlement of trade payables. As at 31 December 2024 and 2023, all notes payable had maturities of less than six months from the end of the reporting period. Notes payable also include letters of credit issued by banks to facilitate transaction settlements with suppliers. Upon issuance, the banks commit to paying the supplier (the letter of credit holder) when the letter of credit matures. These letters of credit are irrevocable, typically short-term obligations, and are settled within twelve months.

(c) Receipts in advance from customers

The following amounts represent (i) the advance payments from customers for the sales of automobiles, automobile parts and components, battery packs and related parts and (ii) the obligation for service agreed to be part of the sales of automobiles. The respective revenue will be recognised when the performance obligation is satisfied after the automobiles, automobile parts and components and services and battery packs and related parts were delivered to the customers.

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Relating to the sales of automobiles, automobile parts and components and battery packs and related parts	17,614,214	11,310,460
Relating to the obligation for service agreed to be part of the sales of automobiles	<u>4,154,662</u>	<u>3,263,185</u>
	<u>21,768,876</u>	<u>14,573,645</u>

The increase in receipts in advance from customers (2023: increase) was mainly due to the increase (2023: increase) in advances received from customers in relation to sales of automobiles, automobile parts and components and battery packs and related parts for the year ended 31 December 2024.

Receipts in advance from customers outstanding at the beginning of the year amounting to RMB12,168,111,000 (2023: RMB5,672,167,000) have been recognised as revenue during the year.

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at the end of the reporting period was as follows:

	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	1,325,752	857,651
More than one year	<u>2,828,910</u>	<u>2,405,534</u>
	<u>4,154,662</u>	<u>3,263,185</u>

As permitted under HKFRS 15, the above transaction price allocated to the unsatisfied contracts does not include performance obligation from the Group's contracts with customers for the sales of automobiles, automobile parts and components and battery packs and related parts, that have an original expected duration of one year or less.

(d) Payables for capitalised product development costs

The credit terms for payables for capitalised product development costs generally ranged from 60 days to 90 days (2023: 60 days to 90 days).

(e) Other accrued charges and payables

The amounts mainly comprised (1) deposits provided by automobile dealers and other third parties which amounted to RMB1,629,824,000 (2023: RMB1,536,491,000); and (2) payables for warranty, advertising and promotion, transportation and general operations which amounted to RMB4,080,727,000 (2023: RMB2,946,679,000).

(f) Amounts due to related companies

The amounts due are unsecured, interest-free and repayable on demand.

15. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

As at 31 December 2023, the assets and liabilities of Aurobay Holding were classified as held for sale in accordance with HKFRS 5. The assets held for sale totalled RMB18,648,139,000, while the associated liabilities amounted to RMB7,885,018,000. The directors did not consider Aurobay Holding to represent a major separate line of business for the Group, therefore, it was not disclosed as a discontinued operation.

Assets and liabilities classified as held for sale at 31 December 2023 are analysed as follows:

	2023 <i>RMB'000</i>
Assets classified as held for sale	
Property, plant and equipment	9,810,291
Intangible assets	4,859,069
Land lease prepayments	417,795
Goodwill	30,091
Trade and other receivables	1,196,477
Deferred tax assets	498,213
Inventories	559,878
Income tax recoverable	7,263
Restricted bank deposits	239,732
Bank balances and cash	<u>1,029,330</u>
	<u><u>18,648,139</u></u>

2023
RMB'000

Liabilities directly associated with assets classified as held for sale

Trade and other payables	7,122,130
Lease liabilities	82,181
Borrowings	662,813
Income tax payable	17,094
Deferred tax liabilities	800
	<u>7,885,018</u>

During the year ended 31 December 2024, the deemed disposal of Aurobay Holding was completed. Please refer to note 12 for further details.

16. SHARE CAPITAL

	2024	Nominal value	2023	Nominal value
	Number of shares	RMB'000	Number of shares	RMB'000
Authorised:				
Ordinary shares of HK\$0.02 each				
At 1 January	12,000,000,000	246,720	12,000,000,000	246,720
Addition (<i>note (c)</i>)	6,000,000,000	111,144	–	–
At 31 December	<u>18,000,000,000</u>	<u>357,864</u>	<u>12,000,000,000</u>	<u>246,720</u>
Issued and fully paid:				
Ordinary shares of HK\$0.02 each				
At 1 January	10,063,382,383	183,807	10,056,973,786	183,686
Shares issued under share option scheme (<i>note (a)</i>)	5,489,500	102	–	–
Shares issued under share award scheme (<i>note (b)</i>)	6,129,900	111	6,408,597	121
At 31 December	<u>10,075,001,783</u>	<u>184,020</u>	<u>10,063,382,383</u>	<u>183,807</u>

Notes:

- (a) During the year ended 31 December 2024, share options were exercised to subscribe for 5,489,500 ordinary shares of the Company at a consideration of approximately RMB48,577,000 of which approximately RMB102,000 was credited to share capital and approximately RMB48,475,000 was credited to the share premium account. As a result of the exercise of share options, share-based compensation reserve of RMB14,862,000 has been transferred to the share premium account.

During the year ended 31 December 2023, no share option was exercised to subscribe for ordinary share of the Company.

- (b) During the year ended 31 December 2024, award shares representing a total of 6,129,900 (2023: 6,408,597) ordinary shares were issued under the share award scheme. Meanwhile, 6,137,400 (2023: 6,570,050) award shares were vested to certain participants of the share award scheme of the Company at a consideration of approximately RMB111,000 (2023: RMB121,000). As at 31 December 2024, no award shares (2023: 7,500) were retained and administrated by the appointed trustee for the share award scheme. As a result of the vesting of award shares, share-based compensation reserve of RMB137,094,000 (2023: RMB146,758,000) has been transferred to the share premium account.
- (c) During the year ended 31 December 2024, the Company increased its authorised share capital from HK\$240,000,000 (divided into 12,000,000,000 shares of a nominal value of HK\$0.02 each) to HK\$360,000,000 (divided into 18,000,000,000 shares of a nominal value of HK\$0.02 each). This increase was approved by the shareholders at the annual general meeting held on 31 May 2024.

The primary purpose of this increase is to provide flexibility to the Company for future investment opportunities and facilitate the Company in determining its future business plan and development, thus serving the interests of the Company and the shareholders as a whole. The increase in authorised share capital does not immediately affect the issued share capital or the shareholding structure of the Company.

17. BANK BORROWINGS

As at 31 December 2024 and 2023, the Group's bank loans were repayable as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Carrying amounts repayable (<i>note (a)</i>)		
In the first year	30,300	–
In the second year	300,000	2,840,240
In the third to fifth year	<u>114,180</u>	<u>–</u>
	<u>444,480</u>	<u>2,840,240</u>
Representing:		
– Current	30,300	–
– Non-current	<u>414,180</u>	<u>2,840,240</u>
	<u>444,480</u>	<u>2,840,240</u>

Notes:

- (a) The amounts are based on the scheduled repayment dates set out in the loan agreements.
- (b) As at 31 December 2023, the US\$-denominated bank loans were unsecured, carried at amortised cost, repayable in August 2025 and bore interest at the Secured Overnight Financing Rate plus 0.7% per annum. Pursuant to the facility agreement, it will be an event of default if Mr. Li Shu Fu is (i) no longer the single largest beneficial shareholder of the Company, or (ii) no longer beneficially owns at least 25% of the issued share capital of the Company. In case of an event of default, the bank may by notice to the Company (a) cancel the loan facility, (b) declare that all or part of the loan, together with accrued interest, be immediately due and payable, and/or (c) declare that all or part of the loans be payable on demand. The loan was early repaid by the Group during the year ended 31 December 2024.

- (c) As at 31 December 2024, the Group obtained new unsecured borrowings from several banks, totalling RMB444,680,000. RMB200,000 was repaid during the year ended 31 December 2024. The annual interest rate of these borrowings ranged from 2.95% to 3.08%. The loans are repayable ranged from June 2025 to May 2027 and are denominated in RMB. Two of the facilities were jointly guaranteed by a subsidiary of the Group and Geely Holding, based on their shareholding percentages. One of the facilities was guaranteed solely by a subsidiary of the Group.
- (d) During the years ended 31 December 2024 and 2023, none of the covenants relating to drawn down facilities had been breached.

18. LOAN FROM A RELATED COMPANY

As at 31 December 2023, the loan from a fellow subsidiary was granted to the Group's subsidiary in the PRC. The loan was unsecured, repayable in 2032 and carried an interest rate of 4.5% (2023: 4.5%) per annum, and was originally scheduled to be repaid in 2032. However, the loan was fully repaid by the end of 2024.

19. BONDS PAYABLE

MTNs

On 17 August 2023 and 1 August 2024, the Company issued medium-term notes (the "MTNs") on the China Interbank Bond Market in the PRC, with an aggregate principal amount of RMB1,500,000,000 and RMB2,000,000,000 respectively. The MTNs carried interest at 3.25% and 2.18% per annum respectively and adopt a simple interest annual payment method (excluding compound interest). The maturity date are 17 August 2026 and 2 August 2027 respectively, unless terminated earlier according to the terms of the MTNs. The proceeds from the MTNs' issuance will be entirely invested domestically in China, aiming to supplement the working capital of the Company's indirect non wholly-owned subsidiary, Jirun Automobile.

The carrying amount of the MTNs at initial recognition amounted to RMB1,500,000,000 and RMB2,000,000,000 and the effective interest rate were 3.25% and 2.18% per annum respectively. The MTNs were measured at amortised cost at the end of the reporting period.

The movements of the bonds payables during the year are set out below:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Carrying amount		
At 1 January	1,500,000	2,062,396
Issuance	2,000,000	1,500,000
Exchange differences	–	5,728
Interest expenses	–	298
Redeemed during the year	–	(2,068,422)
At 31 December	<u>3,500,000</u>	<u>1,500,000</u>
<i>Representing:</i>		
– Non-current	<u>3,500,000</u>	<u>1,500,000</u>
	<u>3,500,000</u>	<u>1,500,000</u>

20. PERPETUAL CAPITAL SECURITIES

On 9 December 2019, the Company (the “**Issuer**”) issued 4% senior perpetual capital securities with an aggregate principal amount of US\$500,000,000 (equivalent to approximately RMB3,425,857,000) (the “**Securities**”) which are listed on Singapore Exchange Securities Trading Limited at an issue price of 99.641%. Transaction costs relating to the issue of the Securities amounted to approximately RMB12,755,000. Distribution is payable semi-annually in arrears in equal instalments on 9 June and 9 December of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Issuer may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Issuer’s option on 9 December 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 “Financial Instruments: Presentation”, they are classified as equity for accounting purpose. Any distributions made by the Issuer to the holders of the Securities will be deducted directly to equity in the consolidated financial statements.

In December 2024, the Group exercised its optional redemption right to early redeem all issued perpetual capital securities with a total principal amount of US\$500,000,000 (equivalent to approximately RMB3,621,900,000) held by the Securities’ holders.

21. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Dividends payable <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Bank borrowings <i>RMB'000</i> <i>(note 17)</i>	Loan from a related company <i>RMB'000</i> <i>(note 18)</i>	Bonds payable <i>RMB'000</i> <i>(note 19)</i>	Total <i>RMB'000</i>
At 1 January 2023	–	2,336,008	2,757,960	6,000,000	2,062,396	13,156,364
Changes from financing cash flows:						
Advances from related companies	–	–	–	1,898,730	–	1,898,730
Repayment to a related company	–	–	–	(6,798,730)	–	(6,798,730)
Proceeds from bank borrowings	–	–	662,813	–	–	662,813
Proceeds from issuance of bonds	–	–	–	–	1,500,000	1,500,000
Repayment of bonds payable	–	–	–	–	(2,068,422)	(2,068,422)
Capital element of lease rentals paid	–	(785,958)	–	–	–	(785,958)
Other borrowing costs paid	–	(90,022)	(96,562)	(209,572)	(43,278)	(439,434)
Dividends paid	(1,915,763)	–	–	–	–	(1,915,763)
Total changes from financing cash flows	(1,915,763)	(875,980)	566,251	(5,109,572)	(611,700)	(7,946,764)
Exchange adjustments	–	14,379	82,280	–	5,728	102,387
Other changes (note):						
Entering into new leases	–	1,391,007	–	–	–	1,391,007
Termination of leases	–	(198,927)	–	–	–	(198,927)
Interest expenses	–	75,643	100,098	181,766	29,020	386,527
Dividends declared (note 9(b))	1,915,763	–	–	–	–	1,915,763
Reclassified as held for sale (note 15)	–	(82,181)	(662,813)	–	–	(744,994)
Others (note)	–	–	(3,536)	27,806	14,556	38,826
Total other changes	1,915,763	1,185,542	(566,251)	209,572	43,576	2,788,202

	Dividends payable RMB'000	Lease liabilities RMB'000	Bank borrowings RMB'000 (note 17)	Loan from a related company RMB'000 (note 18)	Bonds payable RMB'000 (note 19)	Total RMB'000
At 31 December 2023 and 1 January 2024	—	2,659,949	2,840,240	1,100,000	1,500,000	8,100,189
Changes from financing cash flows:						
Advances from related companies	—	—	—	3,000,000	—	3,000,000
Repayment to a related company	—	—	—	(4,100,000)	—	(4,100,000)
Proceeds from bank borrowings	—	—	611,447	—	—	611,447
Proceeds from issuance of bonds	—	—	—	—	2,000,000	2,000,000
Repayment of bank borrowings	—	—	(2,897,720)	—	—	(2,897,720)
Capital element of lease rentals paid	—	(880,043)	—	—	—	(880,043)
Other borrowing costs paid	—	(115,032)	(152,695)	(171,144)	(48,750)	(487,621)
Special dividend paid	(69,661)	—	—	—	—	(69,661)
Dividends paid	(2,050,555)	—	—	—	—	(2,050,555)
Total changes from financing cash flows	(2,120,216)	(995,075)	(2,438,968)	(1,271,144)	1,951,250	(4,874,153)
Exchange adjustments	—	(6,085)	57,280	—	—	51,195
Other changes (note):						
Entering into new leases	—	693,962	—	—	—	693,962
Lease reassessment	—	160,839	—	—	—	160,839
Termination of leases	—	(50,107)	—	—	—	(50,107)
Interest expenses	—	86,705	150,723	63,663	68,093	369,184
Dividends declared (notes 9(b) and 9(d))	2,120,216	—	—	—	—	2,120,216
Others (note)	—	15,454	(164,795)	107,481	(19,343)	(61,203)
Total other changes	2,120,216	906,853	(14,072)	171,144	48,750	3,232,891
At 31 December 2024	—	2,565,642	444,480	—	3,500,000	6,510,122

Note: Others include the cash flow movement of the liabilities directly associated with assets classified as held for sale and interest accruals.

22. BUSINESS COMBINATION

2024

Acquisition of Ningbo Geely Passenger Vehicles Manufacturing Company Limited# (“Ningbo Passenger Vehicles”) 寧波吉利乘用車製造有限公司

In October 2024, Zhejiang Geely Passenger Vehicles Company Limited# (“Zhejiang Passenger Vehicles”) 浙江吉利乘用車有限公司 (formerly known as Zhejiang Fulin Guorun Automobile Parts & Components Co., Ltd.# 浙江福林國潤汽車零部件有限公司), an indirect wholly-owned subsidiary of the Company, and Geely Holding, the Company’s ultimate holding company entered into an acquisition agreement pursuant which Zhejiang Passenger Vehicles conditionally agreed to acquire 100% of the equity interests in Ningbo Passenger Vehicles for a cash consideration of RMB123,689,000. Ningbo Passenger Vehicles and its subsidiaries are principally engaged in the automotive-related integrated vehicle services. The acquisition of Ningbo Passenger Vehicles was completed in October 2024. Please refer to the Company’s announcement dated 21 October 2024 for further details.

The assets acquired and liabilities recognised at the acquisition date are as follows:

	Pre- acquisition carrying amounts <i>RMB’000</i>	Fair value adjustments <i>RMB’000</i>	Recognised fair values on acquisition <i>RMB’000</i>
The net assets acquired:			
Property, plant and equipment	159,010	8,860	167,870
Land lease prepayments	53,709	77,800	131,509
Trade and other receivables	3,527,551	–	3,527,551
Deferred tax assets	39,629	–	39,629
Bank balances and cash	1,881,229	–	1,881,229
Trade and other payables	(5,578,811)	–	(5,578,811)
Income tax payable	(61)	–	(61)
Deferred tax liabilities	–	(21,665)	(21,665)
	82,256	64,995	147,251
Gain on bargain purchase arising from acquisition (note 6):			
Fair value of identifiable net assets acquired			147,251
Consideration payable			(123,689)
			23,562
Net cash inflow arising from acquisition of a subsidiary:			
Cash consideration paid			(123,689)
Bank balances and cash acquired			1,881,229
			1,757,540

No acquisition-related costs had been incurred in relation to the acquisition.

As a result of the acquisition, the Group can effectively reduce the amount of the current continuing connected transactions between the Group and the Geely Holding Group, further enhancing the Group's independence from the Geely Holding Group.

Ningbo Passenger Vehicles has contributed revenue of RMB17,562,000 and incurred a loss of RMB2,672,000 from the acquisition date to 31 December 2024.

If the acquisition had occurred on 1 January 2024, the consolidated revenue and consolidated profit of the Group for the year ended 31 December 2024 would be RMB240,217,851,000 and RMB17,121,583,000, respectively. The proforma financial information is for illustrative purpose only and does not necessarily reflect the Group's revenue and operating results if the acquisition had been occurred on 1 January 2024 and could not serve as a basis for the forecast of future operation results.

2023

Acquisition of Xi'an Geely Automobile Company Limited# (“Xi'an Geely”) 西安吉利汽車有限公司 (“Xi'an Geely”)

On 12 December 2022, Jirun Automobile entered into an acquisition agreement with a fellow subsidiary owned by the Company's ultimate holding company, pursuant to which Jirun Automobile has conditionally agreed to acquire, and the fellow subsidiary has conditionally agreed to sell the 100% equity interests of Xi'an Geely for a cash consideration of RMB382,450,000 (“**Xi'an Geely Consideration**”). Xi'an Geely is engaged in the manufacture and sales of complete knock-down kits, automobile parts and components in the PRC. The acquisition of Xi'an Geely was completed in April 2023. Please refer to the Company's announcements dated 12 December 2022 and 10 March 2023 for further details.

The assets acquired and liabilities recognised at the acquisition date are as follows:

	Pre- acquisition carrying amounts RMB'000	Fair value adjustments RMB'000	Recognised fair values on acquisition RMB'000
The net assets acquired:			
Property, plant and equipment	2,243,007	(2,332)	2,240,675
Intangible assets	1,907	58	1,965
Land lease prepayments	385,529	232,331	617,860
Trade and other receivables	6,524,674	–	6,524,674
Inventories	936,928	851	937,779
Deferred tax assets	34	–	34
Bank balances and cash	36,272	–	36,272
Trade and other payables	(9,945,064)	–	(9,945,064)
Deferred tax liabilities	–	(34,636)	(34,636)
	<u>183,287</u>	<u>196,272</u>	<u>379,559</u>
Goodwill arising from acquisition:			
Cash consideration transferred			229,470
Consideration payable (<i>notes (a) and 14</i>)			152,980
Fair value of identifiable net assets acquired			<u>(379,559)</u>
			<u>2,891</u>
Net cash outflow arising from acquisition of a subsidiary:			
Cash consideration paid			(229,470)
Bank balances and cash acquired			<u>36,272</u>
			<u>(193,198)</u>

Notes:

- (a) In November 2017, Xi'an Geely entered into a framework agreement with Xi'an Construction Engineering General Group Co., Ltd.[#] (西安市建總工程集團有限公司) (the “**Contractor**”) for the construction of the manufacturing facilities (the “**Xi'an Project**”). They further entered into construction sub-contracts for a total consideration of approximately RMB296,733,000 (the “**Project Consideration**”). After the completion of the construction of Xi'an Project, Xi'an Geely has paid approximately 85% of the Project Consideration and made a provision of approximately RMB44,010,000 (the “**Provision**”) for the final payment, which represents approximately 15% of the Project Consideration. However, there are disagreements between Xi'an Geely and the Contractor regarding the total construction cost. Xi'an Geely withholds the final payment of the Xi'an Project and partial performance deposit paid by the Contractor.

In February 2023, the Contractor filed a complaint against Xi'an Geely and demanded Xi'an Geely to pay the remaining of the Project Consideration together with interest in an aggregated amount of approximately RMB149,506,000. Mr. Zeng Xianfeng (曾仙峰, “**Mr. Zeng**”) filed another complaint against the Contractor and Xi'an Geely, alleging that the Contractor sub-contracted the Xi'an Project to him, seeking for a total payment of approximately RMB151,550,000 (consisting of the outstanding construction fee payment of approximately RMB142,077,000 and its related interest) from the Contractor and demanding Xi'an Geely to pay the corresponding construction fee to the Contractor.

During the year ended 31 December 2024, Xi'an Geely and the Contractor completed the reconciliation of the construction fee for the Xi'an Project and the final payment for the Xi'an Project has been determined and settled.

- (b) No acquisition-related costs had been incurred in relation to the acquisition.

As a result of the acquisition, the Group is expected to increase its manufacturing capacity to meet the increasing demand of automobiles in the PRC, as well as enhancing its production capabilities. Goodwill arose because the consideration paid included amounts in relation to the revenue growth and future market development of the businesses acquired. These benefits are not recognised separately from goodwill, because they do not meet the recognition criteria for identifiable intangible assets. Goodwill arising from the acquisition is not expected to be deductible for tax purpose.

Xi'an Geely has contributed revenue of RMB410,296,000 and profit of RMB678,976,000, respectively from the acquisition date to 31 December 2023.

[#] The English translations of the names of the companies established in the PRC are for reference only. The official names of these companies are in Chinese.

23. FINANCIAL INFORMATION OF ZEEKR AND ITS SUBSIDIARIES

	ZEEKR	
	2024	2023
	RMB'000	RMB'000
Non-controlling interests percentage	34.34%	45.27%
Non-current assets	28,273,161	22,546,145
Current assets	25,228,634	20,442,028
Current liabilities	(39,646,608)	(31,842,809)
Non-current liabilities	(2,752,328)	(3,501,629)
Net assets	<u>11,102,859</u>	<u>7,643,735</u>
Carrying amount of non-controlling interests	<u>5,187,492</u>	<u>4,093,970</u>
Revenue	75,796,446	51,635,601
Loss for the year	(846,634)	(1,134,642)
Other comprehensive (expense)/income for the year	(35,183)	49,765
Total comprehensive expense for the year	(881,817)	(1,084,877)
Profit/(loss) allocated to non-controlling interests	61,312	(416,902)
Other comprehensive (expense)/income allocated to non-controlling interests	<u>(15,970)</u>	<u>20,919</u>

24. EVENTS AFTER THE REPORTING DATE

Completion of acquisition and capital injection of LYNK & CO Automobile Technology

In November 2024, Zhejiang ZEEKR Intelligent Technology Company Limited[#] (“Zhejiang ZEEKR”) 浙江極氪智能科技有限公司, an indirect wholly-owned subsidiary of ZEEKR, Geely Holding, and Volvo Cars (China) Investment Co., Ltd.[#] (“VCI”) 沃爾沃汽車(中國)投資有限公司, an indirect wholly-owned subsidiary of Volvo Car AB (publ), entered into an equity transfer agreement. Pursuant to this agreement, Geely Holding and VCI will transfer 20% and 30% of their equity interest in LYNK & CO Automotive Technology to Zhejiang ZEEKR, respectively, for a total consideration of RMB9,000,000,000, together with interest accrued during the locked box period. Subsequently, Zhejiang ZEEKR will immediately subscribe to the new capital of LYNK & CO Automotive Technology for a cash consideration of RMB367,346,940. Upon completion of the subscription, LYNK & CO Automotive Technology’s registered capital will increase from RMB7,500,000,000 to RMB7,653,061,225. Following the completion of these transactions, LYNK & CO Automotive Technology will be owned 49% by another subsidiary of the Group and 51% by Zhejiang ZEEKR. As a result, LYNK & CO Automotive Technology will be reclassified from a joint venture to a non wholly-owned subsidiary of the Group. The transactions were completed in February 2025. The Company is in the process of assessing the associated financial implications. For details, please refer to announcement of the Company dated 14 February 2025.

Formation of a joint venture

On 2 March 2025, Jirun Automobile entered into the joint venture framework agreement with the following parties:

- Chongqing Two Rivers New Area High Quality Development Industry Private Equity Investment Fund Partnership (Limited Partnership)[#] (“**Two Rivers Industrial Fund**”) 重慶兩江新區高質量發展產業私募股權投資基金合夥企業(有限合夥)
- Chongqing Industrial Investment Master Fund Partnership (Limited Partnership)[#] (“**Chongqing Industrial Master Fund**”) 重慶產業投資母基金合夥企業(有限合夥)
- Chongqing Maichi Zhixing Technology Co., Ltd.[#] (“**Chongqing Maichi**”) 邁馳智行(重慶)科技有限公司
- Ningbo Lotus Robotics Company Limited[#] (“**Lotus Robotics**”) 寧波路特斯機器人有限公司
- Chongqing Qianli Technology Co., Ltd.[#] (“**Qianli Technology**”) 重慶千里科技股份有限公司
- Chongqing Jianghehui Management Co., Ltd.[#] (“**Jianghehui**”) 重慶江河匯企業管理有限責任公司

The parties agreed to form a joint venture (the “**JV 1**”) to engage in the intelligent driving business. Upon closing, the JV 1 will be owned as follows:

- 30% by Jirun Automobile, contributing RMB1.3 billion in technologies and RMB200 million in cash
- 30% by Chongqing Maichi, contributing RMB1.5 billion in business and technologies
- 30% by QL Partnership, a limited partnership to be set up by Two Rivers Industrial Fund, Chongqing Industrial Master Fund, Qianli Technology, and Jianghehui, contributing RMB1.5 billion in cash
- 5% by Lotus Robotics, contributing RMB250 million in technologies
- 5% by the employee incentive platform, contributing RMB1.5 million in cash

The formation of the JV 1 has not yet been completed as at the date of this announcement. Please refer to the Company’s announcement dated 2 March 2025 for further details.

[#] The English translations of the names of the companies established in the PRC are for reference only. The official names of these companies are in Chinese.

25. COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements have been reclassified to conform with the current year’s presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

In 2024, the global and Chinese automotive markets continued to be shaped by the development of electrification and intelligentization. While industrial competition intensified, there remained abundant opportunities and growth potential. By leveraging on the successful transformation in electrification and intelligentization, the Group launched multiple new energy vehicle (“NEV”) models during the year, resulting in a substantial increase in NEV sales volume. The Group accelerated its electrification transformation, while implementing a balanced development strategy to pursue both internal combustion engine (“ICE”) vehicles and NEVs. Despite the declining demand for ICE vehicles in Chinese market, strategies such as product line optimization enabled the Group to achieve year-on-year growth in ICE vehicle sales volume. Furthermore, the Group’s export sales volume reached a new record high. In terms of wholesale volume (including exports), the Group sold a total of 2,176,567 units of vehicles in 2024 (including the total sales volume # of “Lynk&Co” vehicles sold by the Group’s 50%-owned joint venture, namely LYNK & CO Automotive Technology Co., Ltd. (formerly known as LYNK & CO Investment Co., Ltd.) (“Lynk&Co JV”)), representing a year-on-year (“YoY”) increase of 32%, exceeding the Group’s revised annual sales volume target of 2 million units. Among them, the wholesale volume in China increased by 27% YoY to 1,762,045 units, while the export wholesale volume increased by 57% YoY to 414,522 units.

During the year, Geometry, the NEV series under the Group’s Geely brand, was formally merged into Galaxy. Geely focused on developing Geely Galaxy as its core platform for NEVs, and introduced the all-new intelligent NEV architecture, GEA architecture. In the second half of the year, Geely Galaxy launched two battery electric vehicles (“BEVs”), Galaxy E5 and Xingyuan, and a plug-in hybrid electric vehicle (“PHEV”), Starship 7, based on the GEA architecture, all of which became best-selling products in the market. Geely Galaxy’s annual sales volume reached 494,440 units, representing a YoY increase of 80%. ZEEKR, the Group’s luxury NEV brand, continued to maintain rapid growth, with its products ZEEKR 001, ZEEKR 7X and ZEEKR 009 leading the luxury BEV market. ZEEKR delivered 222,123 units during the year, representing a YoY increase of 87%. LYNK & CO made significant strides towards electrification transformation. Its plug-in hybrid EM-P models maintained strong sales performance, and two BEVs were launched for the first time during the year. The total annual sales volume of Lynk&Co JV reached 285,441 units, representing a YoY increase of 30%, of which, NEV sales volume accounted for 59%. In 2024, the Group achieved total NEV sales volume of 888,235 units, representing a YoY increase of 92% and accounted for 41% of the Group’s total sales volume, further consolidating the Group’s leading position in Chinese NEV market.

#: While the total sales volume does not correlate directly to the revenue the Group recognises during a particular period as it includes all sales volume of the Group’s 50%-owned joint venture, namely the Lynk&Co JV, on a 100% consolidated basis, the Board believes it is more indicative of the underlying demand of the Group’s vehicles.

FINANCIAL REVIEW

In 2024, despite the fierce competition and slowing growth in China's automobile market, the Group's sales volume still achieved a YoY growth of 32%. Benefiting from the increased proportion of high-end products, the average ex-factory selling price ("ASP") also saw an increase of 2.5% over the last year, even under intense price competition. Therefore, the total revenue of the Group increased by 34% to RMB240.2 billion. At the same time, after incorporating the "Lynk&Co" brand vehicles sold by the Lynk&Co JV on a proforma basis, the Group's combined ASP increased by 2.9% YoY.

During the year, despite intense price competition and an increase in the proportion of NEV sales volume, the overall gross profit margin still increased YoY by 0.6 percentage point to 15.9% as a result of economies of scale, improvement in product mix, and cost control optimizations driven by advancements in vehicle architectures and technologies. The Group's net profit for 2024 was RMB16.8 billion, up by 240% YoY. After deducting non-controlling interests, the profit attributable to equity holders of the Company was RMB16.63 billion, representing a YoY increase of 213%. The significant increase in taxation in 2024, amounting to approximately RMB1.6 billion, was primarily due to higher dividend payments from its PRC subsidiaries and increased profits driven by robust demand for certain vehicle models.

If the impact of the one-off gain and losses, including a gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture, amounting to RMB9.1 billion in total, as well as total net impairment losses on non-financial assets of RMB0.99 billion is excluded, the profit attributable to equity holders of the Company would be RMB8.52 billion, increased by 52% YoY. The Group continued to maintain sound operating cash flow during the year. This raised the Group's total cash level (bank balances and cash plus restricted bank deposits) by 15% to RMB43.75 billion as at the end of 2024.

SUSTAINABILITY REVIEW

Amidst intense industry competition, the Group remains steadfast in practicing sustainable development, with an aim to achieve harmonious coexistence between the enterprise and society, as well as the environment, based on its environmental, social and governance ("ESG") strategies, thereby benefiting stakeholders including customers, employees, partners and communities. During the year, the Group actively promoted the development and launch of NEVs, resulting in a significant increase in the proportion of NEV sales volume to 41%. Meanwhile, the Group continued to implement its carbon reduction path across both the manufacturing and supply chains, as of 31 December 2024, the lifecycle carbon emissions per vehicle of the Group reduced by 18% (with 2020 as baseline). The Group would also promote the ecological construction of green methanol and explore diversified green mobility technologies to address global climate change.

Meanwhile, the Group is also continuously advancing the implementation path of other ESG strategic directions to address the relevant ESG risks and seize opportunities so as to support the Group's global development. At the same time, we will promote the sustainable development of the upstream and downstream of the automotive value chain through closer collaboration with our business partners as a way to build a sustainable and resilient future for the automotive industry.

The Group's sustainability performance has been recognised by various well-known ESG rating agencies. In 2024, the Group was selected as a constituent of the "Hang Seng Corporate Sustainability Index", which comprises 30 eligible Hong Kong-listed companies with the best sustainability performance. The Group has also consecutively received the globally leading MSCI ESG Rating of "AA".

Financial Resources

As at 31 December 2024, the Group's financial position remained stable, the cash reserve was sufficient, and the total cash level (including bank balances and cash as well as restricted bank deposits) was RMB43.75 billion, representing a stable growth from RMB37.96 billion as at the end of December 2023. In 2024, the Group's net cash generated from operating activities amounted to RMB26.51 billion, benefiting from factors such as an increase in overall sales volume and improved gross margin. Total capital expenditures of the Group (including property, plant and equipment, capitalised product development costs and land lease prepayments) amounted to RMB13.31 billion, mainly attributable to the higher investment in research and development as the Group accelerated the pace of electrification and intelligentization transformation and expanded its investment in new energy product matrix.

In May 2024, ZEEKR successfully completed its initial public offering ("ZEEKR IPO") through the issuance of 24,150,000 ADSs, raising net proceeds of approximately US\$480 million (equivalent to approximately RMB3.47 billion). Notably, the Group subscribed for and was allocated 12,900,952 ADSs by the underwriters in the ZEEKR IPO (equivalent to US\$271 million or approximately RMB1.96 billion). In November 2024, the Company further acquired approximately 11.3% (on a fully-diluted basis) of the issued share capital of ZEEKR with a consideration of US\$806 million (equivalent to approximately RMB5.9 billion). During the year, the Group disposed of 3.3% equity interests in Horse Powertrain for a consideration of RMB1.63 billion, and redeemed senior perpetual capital securities with an aggregate principal amount of US\$500 million (equivalent to RMB3.62 billion).

Taking into account the above and other factors, as of 31 December 2024:

- The Group's total borrowings (including loans of all kind) reduced by 35% to RMB3.94 billion as compared to 31 December 2023.
- The Group's net cash (total cash minus total borrowings and perpetual capital securities) amounted to RMB39.8 billion, representing an increase of 40% as compared to the net cash of RMB28.4 billion as at 31 December 2023.

As at 31 December 2024, the Group's net notes receivable (notes receivable minus notes payable) amounted to RMB13.0 billion. The Group may receive additional cash reserves when necessary through discounting the notes receivable with the banks.

The Group has been assigned issuer credit ratings and outlook from both Standard & Poor's Ratings Services and Moody's Investors Service, which are "BBB-/Stable" and "Ba1/Stable" respectively, as at the date of this announcement.

Budgeted capital expenditures (excluding acquisitions through business combinations) of the Group (excluding the Lynk&Co brand) amount to approximately RMB15 billion in 2025. These funds will be used mainly for the research and development of new models and intelligent technologies, as well as the upgrading of existing production facilities of our plants. To this end, the Group will rely on the cash flow generated from daily operations and existing capital reserves, and will allocate funds through various financing methods as and when required. The above capital allocation arrangement will help the Group achieve its strategic objectives. Meanwhile, the Group will continue to maintain a steady growth path based on sound financial management.

Investment in Research and Development and New Products

In 2024, the Group recorded a total of expenses of RMB10.4 billion (2023: RMB7.8 billion) in relation to its research and development activities and such expenses were included in “Research and development expenses” in the consolidated income statement.

Items	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>	YoY change
Amortisation of intangible assets (i.e. capitalised product development costs)	5,095,891	4,449,212	15%
Research and development costs (i.e. not qualified for capitalisation)	<u>5,323,349</u>	<u>3,360,785</u>	<u>58%</u>
Total research and development expenses charged to profit or loss	<u><u>10,419,240</u></u>	<u><u>7,809,997</u></u>	<u><u>33%</u></u>

As most of the ongoing research and development projects were aimed for new technologies not yet used in existing products, a majority of the relevant expenditures had been capitalised, and will only be amortised as expenses after the launch of products using the technologies in the market.

In 2024, the increase in capitalised product development costs of RMB10.6 billion, included in the intangible assets of the consolidated statement of financial position, was primarily related to intelligent NEV model development. The remaining was mainly for the development of intelligent technologies, etc.

The Group launched nine brand-new NEV products in 2024, including: Galaxy E5, Xingyuan and Starship 7 under the Geely Galaxy brand; ZEEKR 009 Grand, ZEEKR 7X and ZEEKR Mix under the ZEEKR brand; and Lynk&Co 007 EM-P, Lynk&Co Z10 and Lynk&Co Z20 under the Lynk&Co brand.

In 2025, the Group plans to launch the following new products:

The “Geely Galaxy” brand:

- Xingyao 8 (星耀8), a mid-to-large size plug-in hybrid sedan, developed under the GEA Evo platform
- 4 brand-new NEV products, including 2 SUVs and 2 sedans

The “ZEEKR” brand:

- ZEEKR 007 GT, a tech battery electric shooting brake, developed under the SEA platform
- ZEEKR 9X, a full-size super hybrid flagship SUV, developed under the SEA platform
- A mid-to-large size super hybrid SUV, developed under the SEA platform

The “Lynk&Co” brand:

- Lynk&Co 900, a flagship plug-in hybrid SUV, developed under the SPA Evo platform
- A mid-to-large size EM-P plug-in hybrid sedan, developed under the SEA platform

OUTLOOK

In 2025, the global macroeconomic landscape still faces unstable factors. In the domestic market, benefiting from supportive automotive policies, we anticipate stable demand for vehicles will be maintained. However, the competition within the automotive industry is intensifying in terms of technology and pricing. In international markets, Chinese automakers must address trade barriers and tariff challenges. Furthermore, the rapid development of artificial intelligence (AI) is driving a thorough intelligent transformation across the automotive industry.

To address these challenges and seize the opportunities, Geely’s management formulated the “Taizhou Declaration” in 2024 in response to the evolving global dynamics and industrial competition. Guided by the “Taizhou Declaration”, the Group will vigorously advance its sustainable development through five strategic pillars: strategic focus, strategic integration, strategic synergy, strategic robustness, and strategic talent.

From the merger of Geometry into Galaxy in 2024 to the strategic integration of ZEEKR and Lynk&Co completed in February 2025, the Group is achieving more efficient resource synergy and eliminating internal competition. This enables its three major brands to focus on their respective target user groups, and develop refined vehicles tailored to their specific market segments. The Group will continue implementing more effective strategic integration in all aspects to enhance overall operational efficiency, thereby improving profitability.

The Group will continue to innovate with technology as its core foundation. On one hand, the Group will persistently advance existing technologies such as vehicle architectures, electronic and electrical architectures, super hybrid, battery, etc. On the other hand, the Group announced the “Smart Geely 2025” strategy in November 2021, taking the lead in the strategy of building a comprehensive intelligent ecosystem in order to realize the full-stack self-development of core technologies of intelligent vehicles. The Group has completed its comprehensive AI application, including: the Xingrui Intelligent Computing Centre with industry-leading computing capabilities of 23.5 EFLOPS (10¹⁸ times of floating-point operations per second), and the “Geely Xingrui AI Large Model” (吉利星睿AI大模型), the first full-stack self-developed vertical large model covering all scenarios, which is also the only automotive large model rated at the level of 4+ certified by China Academy of Information and Communications Technology. Geely Xingrui AI Large Model has been connected to the DeepSeek open-source general model, the Step-1V video model, the Step-2 language model, etc. In terms of intelligent driving data, the Group recorded more than 7.5 million vehicles equipped with L2 or L2+ level intelligent driving technologies, with a cumulative actual driving distance of approximately ten billion kilometers.

The comprehensive AI application will empower the Group to fully embrace the AI era, deeply integrate AI ecosystems into its internal operations and application on automotive products. We will deliver more humanized and intelligent experiences in intelligent cockpits, while always maintaining a safety-first philosophy in terms of intelligent driving, thereby enabling more users to enjoy the safety and convenience brought by intelligent driving. Looking forward to 2025, the Group will continue to advance the transformation of electrification and intelligentization, and further enhance the product matrix of new energy intelligent vehicles of its three major brands. Meanwhile, the Group will fully leverage the advantages of intelligent technologies to enhance the competitiveness of ICE vehicles.

In pursuing global expansion, the Group will continue to broaden its presence in various regional markets, and adopt strategies tailored to specific markets to enhance the quality of overseas operations. It will further increase exports of NEV products to advance the globalization. Moreover, the Group will fully leverage the global resource advantages of Geely Holding to proactively seek cooperation with international partners, thereby addressing risks arising from global trade barriers and tariffs.

The Group sets its sales volume target for 2025 at 2.71 million units (including the total sales volume of “Lynk&Co” vehicles sold by Lynk&Co JV), representing an increase of approximately 25% from the total sales volume achieved in 2024.

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group primarily funds its short-term working capital requirements through its operational cash flow, short-term bank loans from commercial banks in the PRC and Hong Kong, and supplier payment credits. For longer-term capital expenditures, including product and technology development costs, and investments in the construction, expansion, and upgrading of production facilities, the Group’s strategy is to use a combination of operational cash flow, bank borrowings, and capital market fundraising.

As at 31 December 2024, the equity attributable to Company’s equity holders amounted to approximately RMB86.7 billion (compared to approximately RMB80.5 billion as at 31 December 2023). During the year, the Company issued 5,489,500 ordinary shares upon the exercise of share options and 6,129,900 ordinary shares upon the vesting of share awards.

EXPOSURE TO FOREIGN EXCHANGE RISK

During the year, the Group’s primary operations involved domestic sales of automobiles, automobile parts and components, battery packs, and related parts within the PRC. The assets and liabilities of the Group were primarily denominated in Renminbi (RMB), which is the functional currency of both the Company and its principal subsidiaries.

The Group experienced significant foreign exchange losses during the year ended 31 December 2024, primarily attributable to the volatility in certain emerging market currencies affected by geopolitical developments. These currency fluctuations, combined with extended payment terms in export operations, resulted in substantial foreign exchange exposure.

Regarding export operations, a significant portion of the Group's export sales during the year was denominated in United States dollars (US\$). The Group maintains exposure to various emerging markets through its export operations, local subsidiaries, associates, and joint ventures. Geopolitical tensions and international sanctions in certain regions have led to increased currency volatility, resulting in foreign exchange losses that have impacted the Group's financial performance.

To mitigate this foreign exchange risk, the Group has implemented a comprehensive risk management strategy. This includes entering into certain foreign currency forward contracts to mitigate part of its foreign exchange exposure. These foreign exchange forward contracts do not qualify for hedge accounting and are accounted for as financial liabilities at fair value through profit or loss. Hedging opportunities in certain markets remain limited due to market conditions and elevated hedging costs. The Group has also enhanced its natural hedging position by increasing the proportion of costs denominated in local currencies through its overseas plants, thereby facilitating engagement in local business activities. Furthermore, to maintain competitiveness in export markets despite currency challenges, the Group has accelerated the renewal of its export models and implemented operational efficiency initiatives, focusing on showcasing comparative advantages.

The Group's management maintains vigilant oversight of market conditions and continuously evaluates the effectiveness of its hedging strategies. While certain geopolitical factors affecting foreign exchange risks remain beyond the Group's control, management remains committed to implementing appropriate risk management tools and strategies to minimize exposure where feasible.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group's current ratio (current assets/current liabilities) was approximately 0.99 (compared to 1.17 as at 31 December 2023). The Group's gearing ratio of the Group was about 4.5% (compared to 7.6% as at 31 December 2023), calculated based on the Group's total borrowings (excluding trade and other payables and lease liabilities) relative to total shareholders' equity (excluding non-controlling interests).

In 2024, the Group's generated net cash from operating activities amounting to RMB26.5 billion, driven by an increase in overall sales volume, improved gross margin, and other factors. Total capital expenditures, including property, plant and equipment, capitalised product development costs, and land lease prepayments, amounted to RMB13.3 billion, within the budgeted amount of RMB15 billion.

In December 2024, the Group repaid the sustainable club loan early, with a principal amount of US\$400 million (approximately RMB2.9 billion), and the perpetual capital securities, with a principal amount of US\$500 million (approximately RMB3.6 billion). In addition, the Group completed the acquisition of additional interests in ZEEKR, settling the consideration of US\$806,100,000 (approximately RMB5.9 billion) in 2024.

As a result, the Group's total cash level (bank balances and cash plus restricted bank deposits) increased by 15% year-on-year to RMB43.7 billion at the end of 2024. The Group's total borrowings (including bank borrowings, loan from a related company, and bonds payable) decreased by 35% to RMB3.9 billion. Overall, there was a decrease in the current ratio at the end of year 2024 compared to the previous year.

As at 31 December 2024, total borrowings (excluding trade and other payables and lease liabilities) amounted to approximately RMB3.9 billion (compared to RMB6.1 billion as at 31 December 2023). These borrowings consisted of the Group's loans and bonds payable. At the end of 2024, the Group's total borrowings were denominated in RMB. These borrowings were unsecured, interest-bearing, and repaid on maturity. Should other opportunities arise requiring additional funding, the directors of the Company (the "Directors") believe the Group is well-positioned to obtain such financing.

EMPLOYEES' REMUNERATION POLICY

As at 31 December 2024, the Group employed approximately 62,000 people (compared to 60,000 as at 31 December 2023). Employees' remuneration packages are based on individual experience and job profile. These packages are reviewed annually by management, taking into account the overall performance of the staff and market conditions. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and the state-managed retirement benefit scheme in the PRC. In addition, employees are eligible for share options under the share option scheme and share awards under the share award scheme adopted by the Company.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024. However, ZEEKR, a non wholly-owned subsidiary of the Company, repurchased an aggregate of 10,930,530 ZEEKR shares from its employees who were granted ZEEKR award shares, for a net cash consideration of approximately RMB187 million. The cash was remitted to the tax authority on behalf of the employees to satisfy their statutory withholding tax obligation. The ZEEKR award shares repurchased by ZEEKR are held by ZEEKR as treasury shares as at 31 December 2024.

PROPOSED FINAL DIVIDEND

The directors have recommended the payment of a final dividend of HK\$0.33 per ordinary share for the year ended 31 December 2024. The proposed dividend payments are subject to approval by the shareholders of the Company at the annual general meeting to be held on Friday, 30 May 2025 at 4:00 p.m. (Hong Kong Time). Upon shareholders' approval at the upcoming annual general meeting, the proposed final dividend will be paid in July 2025 to shareholders whose names appear on the register of members of the Company as at 18 June 2025.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27 May 2025 to 30 May 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to establish entitlements for attending and voting at the forthcoming annual general meeting of the Company to be held on 30 May 2025, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 26 May 2025.

The register of members of the Company will be closed from 13 June 2025 to 18 June 2025, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on 12 June 2025.

CORPORATE GOVERNANCE

For the year ended 31 December 2024, the Company has complied with the code provisions (“**CPs**”) of the Corporate Governance Code (“**CG Code**”), as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), except for CPs C.2.7 and F.2.2.

CP C.2.7 provides that the Chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year ended 31 December 2024, a formal meeting between the Chairman and the independent non-executive Directors without the presence of other Directors could not be arranged due to their conflicting schedules and prior business engagements. Although such a meeting was not held during the year, the Chairman has delegated the Company Secretary to gather any concerns and/or questions that the independent non-executive Directors might have and report to him to consider whether any follow-up meeting is necessary.

CP F.2.2 provides that the chairman of the Board (the “**Chairman**”) and the chairman of respective Board committees should attend the annual general meeting of the Company. During the year ended 31 December 2024, the Chairman did not attend the annual general meeting of the Company in person due to a conflict of his schedule and other prior business engagements in the PRC. If the Chairman cannot attend the general meeting of the Company in person, he would assign an executive director, who does not have a material interest in the businesses contemplated in the meeting and should report to him on any enquiries shareholders of the Company (the “**Shareholders**”) might have, to attend such general meeting on his behalf. Further, the Company facilitates a conference call for Shareholders and the Directors who are unable to attend in person (including the Chairman) to discuss any specific enquiries with respect to the businesses contemplated in the general meeting. Through these measures, the views of the Shareholders are properly communicated to the Board as a whole. In addition, the external auditor is invited to attend the annual general meeting of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies and auditor's independence.

The Company held its annual general meeting on 31 May 2024. Due to a conflict of his schedule and other prior business engagements in the PRC, the Chairman was unable to attend the general meeting. One executive Director and the Company's external auditor attended and answered questions raised by the Shareholders at the meeting in person. Five (5) independent non-executive Directors and three (3) other executive Directors attended the meeting via conference call.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year, the Company 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 own Code for Securities Transactions by Officers (the “**Code**”). All Directors have confirmed their compliance during the year with the required standards set out in the Model Code and the Code.

AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The audit committee of the Company (the “**Audit Committee**”) is accountable to the Board and the primary duties of the Audit Committee include the review and supervision of the Group's financial reporting process, risk management and internal controls. The Audit Committee comprises Ms. Gao Jie, Mr. An Qing Heng, Mr. Wang Yang and Ms. Yu Li Ping, Jennifer who are the independent non-executive Directors.

The Audit Committee has reviewed the consolidated results of the Group for the year ended 31 December 2024.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on Friday, 30 May 2025 at 4:00 p.m. (Hong Kong Time). A notice of the annual general meeting will be issued and delivered to shareholders of the Company in due course.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited (the “**Auditor**”), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE OF HONG KONG LIMITED

Pursuant to the requirements of the Listing Rules regarding the reporting period, the 2024 annual report will set out all information disclosed in the annual results announcement for 2024 and will be disclosed on the websites of the Company (<http://www.geelyauto.com.hk>) and The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) on or before 30 April 2025.

By Order of the Board of
Geely Automobile Holdings Limited
Li Shu Fu
Chairman

Hong Kong, 20 March 2025

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Ms. Wei Mei, Mr. Gan Jia Yue and Mr. Mao Jian Ming, Moosa; and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Gao Jie, Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song.