Electronics

比亞迪電子(國際)有限公司
BYD ELECTRONIC (INTERNATIONAL) COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock code: 285)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

Revenue	36.43%	To RMB177,306 million
Gross profit	17.90%	To RMB12,301 million
Profit attributable to owners of the parent	5.55%	To RMB4,266 million
EBITDA	45.21%	To RMB11,660 million
Earnings per share	5.55%	To RMB1.89
Proposed final dividend		RMB0.568 per share

HIGHLIGHTS

- Benefited from the expansion of product categories and increasing market shares of overseas major customers, and the recovery of market demand for Android products, the Group's revenue from the consumer electronics business has achieved substantial growth, further reinforcing its leading position in the industry.

- As the automobile industry continues to advance towards electrification and intelligence, the Group's shipments of intelligent cockpits, intelligent driving systems and thermal management products continued to grow, intelligent suspension products were put into mass production, and revenue from the new energy vehicle business segment maintained a rapid growth.

- Relying on the leading R&D strength and strong manufacturing platform, the Group seized opportunities in the industry through its prompt deployment in new sectors such as AI servers, AI data centers and AI robots, which brought new growth momentum for the Group's business development.

FINANCIAL RESULTS

The Board ("Board") of Directors (the "Directors") of BYD Electronic (International) Company Limited (the "Company" or "BYD Electronic") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 (the "Year") together with comparative figures in 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	4	**177,305,549**	129,956,992
Cost of sales		**(165,004,243)**	(119,522,902)
Gross profit		**12,301,306**	10,434,090
Other income and gains	4	**1,347,935**	1,284,483
Government grants and subsidies	5	**327,449**	236,169
Research and development expenses		**(4,889,311)**	(4,721,691)
Selling and distribution expenses		**(1,888,464)**	(719,580)
Administrative expenses		**(1,596,566)**	(1,287,793)
Impairment losses on financial assets, net		**(43,889)**	(24,978)
Other expenses		**(297,190)**	(330,949)
Finance costs	6	**(520,854)**	(188,610)
PROFIT BEFORE TAX	7	**4,740,416**	4,681,141
Income tax expense	8	**(474,778)**	(639,767)
PROFIT FOR THE YEAR			
Attributable to owners of the parent		**4,265,638**	4,041,374
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic and diluted			
– For profit for the year		**RMB1.89**	RMB1.79

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**4,265,638**	4,041,374
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Receivables financing:		
Changes in fair value	**(202)**	15,652
Reversal of impairment	**–**	(280)
Exchange differences on translation of foreign operations	**18,063**	10,353
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**17,861**	25,725
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**17,861**	25,725
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,283,499**	4,067,099
Attributable to owners of the parent	**4,283,499**	4,067,099

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**17,113,075**	19,709,172
Right-of-use assets		**2,027,029**	2,355,127
Prepayments, other receivables and other assets		**1,498,986**	560,260
Goodwill	*16*	**4,361,657**	4,361,657
Other intangible assets		**3,706,376**	4,633,085
Deferred tax assets		**803,248**	620,255
Other non-current financial assets		**421,322**	372,100
Total non-current assets		**29,931,693**	32,611,656
CURRENT ASSETS			
Inventories		**18,088,651**	18,541,478
Trade receivables	*10*	**32,306,016**	23,011,270
Receivables financing	*11*	**471,346**	296,597
Prepayments, other receivables and other assets		**2,497,424**	2,211,168
Derivative financial instruments		**–**	90
Pledged deposits		**50**	9,000
Cash and cash equivalents		**7,052,024**	10,537,361
Total current assets		**60,415,511**	54,606,964
Total assets		**90,347,204**	87,218,620
CURRENT LIABILITIES			
Trade and bills payables	*12*	**35,331,180**	29,939,105
Other payables, other liabilities and accruals		**7,684,380**	9,098,725
Lease liabilities		**359,955**	487,243
Derivative financial instruments		**–**	5,314
Tax payable		**942,850**	607,487
Interest-bearing loans		**6,504,965**	14,612,659
Total current liabilities		**50,823,330**	54,750,533
NET CURRENT ASSETS/(LIABILITIES)		**9,592,181**	(143,569)
TOTAL ASSETS LESS CURRENT LIABILITIES		**39,523,874**	32,468,087

	Notes	**2024** **RMB'000**	2023 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing loans		**4,302,368**	–
Deferred tax liabilities		**922,958**	1,206,052
Lease liabilities		**1,292,217**	1,389,026
Deferred income		**239,839**	290,437
Provision		**364,828**	252,183
Total non-current liabilities		**7,122,210**	3,137,698
Net assets		**32,401,664**	29,330,389
EQUITY			
Share capital	*13*	**4,052,228**	4,052,228
Reserves		**28,349,436**	25,278,161
Total equity		**32,401,664**	29,330,389

NOTES TO FINANCIAL STATEMENTS

As at 31 December 2024

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results for the year ended 31 December 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (chapter 622 of the laws of Hong Kong) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2024 in due course.

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in Hong Kong with limited liability on 14 June 2007.

The Company's shares have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2007.

The registered office of the Company is located at Unit 505–510, 5/F, Core Building 1E, 1 Science Park E Avenue, Science Park, Pak Shek Kok, Tai Po, Hong Kong.

The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, tablet computers, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment.

In the opinion of the directors, the immediate holding company of the Company is Golden Link Worldwide Limited, an enterprise incorporated in the British Virgin Islands, and the ultimate holding company of the Company is BYD Company Limited, a company established in the PRC whose H shares are listed on the Stock Exchange and A shares are listed on the Main Board of Shenzhen Stock Exchange.

Information about subsidiaries

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

Company name	Place of incorporation or registration and operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Lead Wealth International Limited ("Lead Wealth") (領裕國際有限公司) ***	British Virgin Islands	US$ 50,000	–	100	Investment holding
BYD Precision Manufacture Co., Ltd. ("BYD Precision") (比亞迪精密製造有限公司)*	PRC/Chinese Mainland	US$ 145,000,000	–	100	Manufacture and sale of mobile handset components, modules and other products
Huizhou BYD Electronic Co., Limited ("Huizhou Electronic") (惠州比亞迪電子有限公司)**	PRC/Chinese Mainland	US$ 110,000,000	–	100	High-level assembly

Company name	Place of incorporation or registration and operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Xi'an BYD Electronic Co., Limited ("Xi'an Electronic") (西安比亞迪電子有限公司) *	PRC/Chinese Mainland	RMB 100,000,000	–	100	Manufacture and sale of mobile handset components and other products
BYD (Changsha) Electronic Co., Limited ("Changsha Electronic") (長沙比亞迪電子有限公司) *	PRC/Chinese Mainland	RMB 50,000,000	–	100	Manufacturing and sales of smart products
Chengdu BYD Electronics Co., Ltd. (成都比亞迪電子有限公司) **	PRC/Chinese Mainland	US$ 1,200,868,285	–	100	Manufacture and sale of components for consumer electronics products
Wuxi BYD Electronics Co., Ltd. (無錫比亞迪電子有限公司)*	PRC/Chinese Mainland	RMB 1,287,833,100	–	100	Manufacture and sale of components for consumer electronics products

* These subsidiaries are registered as wholly-foreign-owned enterprises under PRC law.

** These subsidiaries are registered as Sino-foreign joint ventures under PRC law.

*** These subsidiaries are registered as wholly-foreign-owned enterprises under foreign law.

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

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS accounting standards") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit or loss, receivables financing and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRS accounting standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised HKFRS accounting standards are described below:

(a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

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 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]
Annual Improvements to HKFRS Accounting Standards –Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

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/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

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

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

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS accounting standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

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

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

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

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

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

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

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

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

3. OPERATING SEGMENT INFORMATION

The Group's primary business is the manufacture, assembly and sale of mobile handset components, modules and other products. For management purposes, the Group is organised into one operating segment based on industry practice and management's vertical integration strategy. Management monitors the results of the Group as a whole for the purpose of making decisions about resource allocation and performance assessment. No further analysis thereof is presented. Segment performance is evaluated based on the revenue and profit before tax which is consistent with the Group's revenue and profit before tax.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
PRC (including Hong Kong, Macau and Taiwan)	**55,791,549**	42,562,981
Overseas	**121,514,000**	87,394,011
Total revenue	**177,305,549**	129,956,992

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

(b) Non-current assets

	2024 *RMB'000*	2023 *RMB'000*
PRC (including Hong Kong, Macau and Taiwan)	**23,101,477**	25,853,179
Overseas	**1,243,565**	1,404,465
Total non-current assets	**24,345,042**	27,257,644

The non-current asset information above is based on the locations of the assets and excludes goodwill, equity investments and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years accounting for over 10% of the total sales of the Group is as follows:

	2024 *RMB'000*
Customer A[1]	**97,471,729**
Customer B[1]	**19,337,642**

	2023 *RMB'000*
Customer A[1]	62,740,910

[1] Revenue from major customers comes from the sale of mobile handset components, modules and other products.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**177,305,549**	129,956,992

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	**2024**	2023
	RMB'000	*RMB'000*
Types of goods or services		
Sale of mobile handset components, modules and other products	**175,563,514**	128,809,358
Rendering of services	**1,742,035**	1,147,634
Total	**177,305,549**	129,956,992
Geographical markets		
PRC (including Hong Kong, Macau, and Taiwan)	**55,791,549**	42,562,981
Overseas	**121,514,000**	87,394,011
Total	**177,305,549**	129,956,992
Timing of revenue recognition		
Goods transferred at a point in time	**176,258,159**	129,518,552
Services transferred over time	**1,047,390**	438,440
Total	**177,305,549**	129,956,992

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of mobile handset components, modules and other products	**1,090,627**	649,050

(ii) Performance obligations

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

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are as follows:

	2024	2023
	RMB'000	*RMB'000*
	VAT exclusive	VAT exclusive
Within one year	**618,943**	1,113,101
More than one year	**59,909**	37,435
Total	**678,852**	1,150,536

	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**307,997**	240,539
Sale of scrap and materials	**206,420**	131,858
Compensation from suppliers and customers	**85,297**	90,753
Exchange gain, net	**330,991**	506,495
Others	**417,230**	314,838
Total	**1,347,935**	1,284,483

5. GOVERNMENT GRANTS AND SUBSIDIES

	2024	2023
	RMB'000	*RMB'000*
Related to assets		
Subsidies related to assets	**84,289**	64,958
Related to income		
Subsidies on research	**–**	400
Subsidies on employee stability and training	**–**	15,386
Subsidies on operating expense	**179,675**	103,462
Others	**63,485**	51,963
Total	**327,449**	236,169

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Interest on borrowings	**447,766**	148,170
Interest on lease liabilities	**73,088**	40,440
Total	**520,854**	188,610

7. PROFIT BEFORE TAX

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

	2024 *RMB'000*	2023 *RMB'000*
Cost of inventories sold#	**163,227,839**	118,557,502
Cost of services provided#	**1,324,957**	850,922
Depreciation of property, plant and equipment	**4,875,202**	2,787,817
Depreciation of right-of-use assets	**590,396**	368,323
Lease payments not included in the measurement of lease liabilities	**236,793**	68,760
Auditors' remuneration	**1,440**	1,440
Amortisation of other intangible assets	**932,779**	3,362
Employee benefit expense (excluding directors', supervisors' and senior executive officers' remuneration):		
− Wages and salaries	**17,166,292**	11,067,138
− Retirement benefit scheme contributions	**1,799,452**	981,302
Total	**18,965,744**	12,048,440
Impairment of trade receivables, net	**43,479**	25,271
Write-down of inventories to net realisable value#	**451,447**	114,478
Impairment of other receivables, net	**410**	(13)
Impairment of receivables financing, net	**–**	(280)
Loss on disposal of items of property, plant and equipment	**191,737**	147,049
Fair value gains, net:		
Derivative instruments	**(5,224)**	(12,987)
Other non-current financial assets	**(49,222)**	(36,300)
Foreign exchange gains, net	**(330,991)**	(506,495)

Cost of inventories sold, Cost of services provided and Write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at a statutory rate of 25% on their respective taxable income during the year.

BYD Precision renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Huizhou Electronic renewed its status of a high and new technology enterprise in 2024, and was entitled to a reduced enterprise income tax rate of 15% from 2024 to 2026.

Xi'an Electronic which operates in Mainland China was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Chengdu Electronic which operates in Mainland China was entitled to a reduced enterprise income tax rate of 15% of the estimated assessable profits for the year pursuant to the Western Development Policy.

Shantou Electronic renewed its status of a high and new technology enterprise in 2023, and was entitled to a reduced enterprise income tax rate of 15% from 2023 to 2025.

Taxes on taxable profits overseas have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The major components of the income tax expense for the year are as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Current – China		
Charge for the year	**925,766**	335,531
Current – Elsewhere	**5,664**	12,594
Pillar Two income taxes – current tax	**9,435**	–
Deferred	**(466,087)**	291,642
Total tax charge for the year	**474,778**	639,767

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**4,740,416**		4,681,141	
Tax at the applicable tax rate	**1,185,104**	**25**	1,170,285	25
Effect of different tax rates applicable to certain subsidiaries	**(481,487)**	**(10)**	(472,228)	(10)
Expenses not deductible for tax	**32,624**	**1**	37,968	1
Research and development costs and other super-deduction as required by taxation laws	**(280,428)**	**(6)**	(291,318)	(6)
Tax losses utilised from previous periods	**(148,377)**	**(3)**	(35,616)	(1)
Tax losses and deductible differences not recognised	**157,907**	**3**	230,676	5
Pillar Two income taxes – current tax	**9,435**	**–**	–	–
Tax charge at the Group's effective rate	**474,778**	**10**	639,767	14

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted and in effect as at 31 December 2024 in certain jurisdiction in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, a Pillar Two tax provision amounted to RMB9,435,000 had been provided by the Group in respect of profits earned in certain jurisdiction where the Pillar Two effective tax rate is below 15% due to certain income exclusions and incentives received. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

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

The calculation of the basic earnings per share amount for the year is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,253,204,500 (2023: 2,253,204,500) outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding during those years.

The calculation of basic earnings per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**4,265,638**	4,041,374

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**2,253,204,500**	2,253,204,500

10. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**32,399,262**	23,061,242
Impairment	**(93,246)**	(49,972)
Net carrying amount	**32,306,016**	23,011,270

The Group's trading terms with its customers are mainly on credit. The credit period is generally two to three months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group had a certain concentration of credit risk as 49% (2023: 45%) and 61% (2023: 81%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**31,715,854**	22,415,499
91 to 180 days	**578,315**	574,534
181 to 360 days	**11,847**	21,237
Total	**32,306,016**	23,011,270

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

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**49,972**	24,414
Impairment losses/(Reversal of impairment losses), net	**43,479**	25,271
Amount written off as uncollectible	**(205)**	287
At end of the year	**93,246**	49,972

There are no significant changes in the loss allowance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns by product type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Aging as at 31 December 2024				
	Within 90 days	**91 to 180 days**	**181 to 360 days**	**Over 1 year**	**Total**
Expected credit loss rate	**0.29%**	**0.29%**	**0.29%**	**100.00%**	**0.29%**
Gross carrying amount *(RMB'000)*	**31,801,507**	**579,997**	**11,882**	**5,876**	**32,399,262**
Expected credit losses *(RMB'000)*	**85,653**	**1,682**	**35**	**5,876**	**93,246**

As at 31 December 2023

	Aging as at 31 December 2023				
	Within 90 days	91 to 180 days	181 to 360 days	Over 1 year	Total
Expected credit loss rate	0.23%	0.23%	0.23%	100.00%	0.22%
Gross carrying amount *(RMB'000)*	22,460,323	575,857	21,286	3,776	23,061,242
Expected credit losses *(RMB'000)*	44,824	1,323	49	3,776	49,972

The net carrying amount of due from the holding companies and fellow subsidiaries included in the above are as follows:

	2024	2023
	RMB'000	*RMB'000*
Due from the ultimate holding company	**157,134**	148,201
Due from the intermediate holding company	**143,763**	153,203
Due from fellow subsidiaries	**7,872,492**	4,818,115
Due from other related parties	**364**	803
Total	**8,173,753**	5,120,322

The balances are unsecured, non-interest-bearing and on credit terms similar to those offered to the major customers of the Group.

11. RECEIVABLES FINANCING

	2024	2023
	RMB'000	*RMB'000*
Bank acceptance bills	**472,730**	297,779
Trade receivables	**–**	–
Subtotal	**472,730**	297,779
Less: other comprehensive income – change in fair value	**1,384**	1,182
Total	**471,346**	296,597

The Company has changed the business model for a portion of its receivables to target both to receive the contractual cash flows when due and the sales. Accordingly, this portion of the receivables is classified as a financial asset at fair value through other comprehensive income (which can be reclassified to profit or loss in subsequent periods).

The Group reclassified bills receivable into financial assets at fair value through other comprehensive income, presented as receivables financing. As of 31 December 2024, the Group did not have any accumulated impairment provision for receivables financing (31 December 2023: Nil).

12. TRADE AND BILLS PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**33,978,257**	29,123,331
91 to 180 days	**1,088,433**	626,775
181 to 360 days	**227,180**	89,116
1 to 2 years	**29,492**	93,983
Over 2 years	**7,818**	5,900
Total	**35,331,180**	29,939,105

The trade payables are non-interest-bearing and normally settled within terms of 30 to 180 days.

The balances due to the holding companies, fellow subsidiaries and other related companies included in the above are as follows:

	2024	2023
	RMB'000	*RMB'000*
Due to the ultimate holding company	**233,081**	142,798
Due to the intermediate holding company	**10,485,778**	10,121,315
Due to fellow subsidiaries	**12,516,371**	11,790,756
Total	**23,235,230**	22,054,869

The balances are unsecured, non-interest-bearing and repayable on demand.

13. SHARE CAPITAL

Shares

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid		
2,253,204,500 (2023: 2,253,204,500) ordinary shares	**4,052,228**	4,052,228

14. DIVIDENDS

The Board has resolved to declare a final dividend for the year ended 31 December 2024 of RMB0.568 per ordinary share (for the year ended 31 December 2023: RMB0.538 per share). The proposed final dividend is subject to consideration and approval at the Company's annual general meeting (the "AGM").

The final dividend will be denominated and declared in RMB but will be paid in Hong Kong dollars. The exchange rate for the dividend to be paid in Hong Kong dollars will be the mean of the exchange rates of Hong Kong dollars to RMB as announced by the People's Bank of China during the five business days prior to the date of declaration of the dividend at the AGM.

The Company will issue announcement, circular and notice of AGM regarding the AGM in accordance with the Listing Rules and the Articles of Association of the Company. The Company will also make separate announcement regarding the record date and date of closure of register of members for the payment of the final dividend. It is expected that the final dividend will be distributed before 6 August 2025.

	2024	2023
	RMB'000	*RMB'000*
Proposed final RMB0.568 (2023: RMB0.538) per ordinary share	**1,279,820**	1,212,224

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

15. CONTINGENT LIABILITIES

Action against Foxconn

On 11 June 2007, a Hong Kong High Court action (the "June 2007 Action") was commenced by a subsidiary and an affiliate of Foxconn International Holdings Limited (the "Plaintiffs") against the Company and certain subsidiaries of the Group (the "Defendants") for using confidential information alleged to have been obtained improperly from the Plaintiffs. The Plaintiffs discontinued the June 2007 Action on 5 October 2007 with the effect that the June 2007 Action has been wholly discontinued against all the Defendants named in the action and this finally disposed of the June 2007 Action without any liability to the Defendants. On the same day, the Plaintiffs initiated a new set of legal proceedings in the Court (the "October 2007 Action"). The Defendants named in the October 2007 Action are the same as the Defendants in the June 2007 Action, and the claims made by the Plaintiffs in the October 2007 Action are based on the same facts and grounds in the June 2007 Action. The remedies sought by the Plaintiffs in the October 2007 Action include an injunction restraining the Defendants from using the alleged confidential information, an order for the disgorgement of profit made by the Defendants through the use of the confidential information, damages based on the loss suffered by the Plaintiffs and exemplary damages. The total damages sought by the Plaintiffs in the October 2007 Action have not been quantified.

On 2 October 2009, the Defendants instituted a counter-action against Foxconn International Holdings Limited and certain of its affiliates for their intervention, by means of illegal measures, in the operations involving the Company and certain of its subsidiaries, collusions, written and verbal defamation, and the economic loss as a result of the said activities.

As at the reporting date, the case remains in the process of legal proceedings. After consulting the Company's legal counsel representing the Company for the case, the Board is of the view that the estimate of ultimate outcome and amount of any settlement payments (if applicable) of the litigation cannot be made reliably up to date.

16. GOODWILL

	RMB'000
At 31 December 2022:	
Cost	–
Accumulated impairment	–
Net carrying amount	–
Cost at 1 January 2023, net of accumulated impairment	–
Acquisition of Juno Newco and its subsidiaries	4,361,657
Cost and net carrying amount at 31 December 2023	4,361,657
At 31 December 2023:	
Cost	4,361,657
Accumulated impairment	–
Net carrying amount	4,361,657

	RMB'000
At 31 December 2023:	
Cost	4,361,657
Accumulated impairment	–
Net carrying amount	4,361,657
Cost at 1 January 2024, net of accumulated impairment	**4,361,657**
Cost and net carrying amount at 31 December 2024	**4,361,657**
At 31 December 2024:	
Cost	**4,361,657**
Accumulated impairment	**–**
Net carrying amount	**4,361,657**

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Juno Newco Target Holdco Singapore Pte. Ltd. ("Juno Newco") and its subsidiaries as a cash-generating unit for impairment testing:

The recoverable amount of the Juno Newco and its subsidiaries has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management.

The pre-tax discount rate applied to the cash flow projections, the revenue growth rate and the terminal growth rate used to extrapolate the cash flows of the cash-generating unit beyond the five-year period are as follows:

	31 December 2024
Revenue growth rate	**2.0-5.0%**
Pre-tax discount rate	**14.67%**
Terminal growth rate	**2.00%**

Revenue growth rate – The rate reflects management's estimation of future market development.

Pre-tax discount rate – The rate reflects management's estimate of the risks specific to the unit.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a global leading provider of high-tech and innovative products, providing customers around the world with one-stop product solutions relying on its core advantages in electronic information, AI, 5G and Internet of Things, thermal management, new materials, precision molds and digital manufacturing technologies. The Group engages in diversified market segments, such as smart phones, tablet computers, new energy vehicles, AI data center, smart home, game hardware, unmanned aerial vehicles, 3D printers, Internet of Things, robots and communication equipment. With the industry-leading R&D and manufacturing strength, abundant product portfolio and extensive customer network, the Group is embracing a new round of high-speed growth.

In 2024, the global economy continued to recover slowly due to the escalation of geopolitical tensions and intensified trade protectionism. During the Year, the government strengthened macro control in the light of the prevailing circumstances. As a result, market confidence was effectively boosted and the national economy sustained its steady but progressive development, with gross domestic product ("GDP") growing by 5.0% year on year. The Group has proven its remarkable resilience and strength, continued its market share expansion, and achieved record sales volume in spite of the complexity and volatility in international political and economic situation. While driving the continuous growth of its existing businesses, the Group has been actively enhancing its core competitiveness and accelerating its deployment in new business segments with growth potential. In 2024, given the opportunities arising from the recovery of demand in the global consumer electronics market, the Group consolidated its leading position in the Android high-end market and continued to expand its cooperation with major overseas customers, thereby driving the rapid growth of its consumer electronics business segment. The mass production and shipment of AI servers incubated in a forward-looking manner brought new growth points for the new intelligent product business. The new energy vehicle business segment continued to keep a strong growth momentum, and the overall revenue scale of the Group reached a new level. In 2024, the Group recorded sales of approximately RMB177,306 million, representing a year-on-year increase of approximately 36.43%, and the profit attributable to shareholders increased by approximately 5.55% to approximately RMB4,266 million on a year-on-year basis.

In terms of the consumer electronics business, with the accelerated iteration of artificial intelligence (AI) technology and the gradual release of replacement demand for mobile phones, the consumer electronics market has seen a rebound in demand. Driven by strong growth in emerging markets and the trend of upgrading to high-end models, global smartphone market demand recovered in 2024. According to statistics from market research agency IDC, global smartphone shipments increased by 6.4% to 1.24 billion units in 2024, while global PC market shipments increased by 1% to 263 million units. China's smartphone shipments grew 5.6% on a year-on-year basis to 286 million units in 2024, marking a rebound after two years of decline. According to the data from Canalys, global tablet shipments reached approximately 148 million units in 2024, representing a year-on-year increase of 9.2%. High-end and technology innovation have become two core drivers of industry growth, with leading manufacturers focusing on product innovation to launch more appealing devices. Generative AI applications have endowed smartphones with richer functionalities and higher value, while new technologies like satellite communication are gradually being integrated into products to further enhance experience of users. In the high-end smartphone market, foldable-screen phones have surged as a new growth driver. According to the data from IDC, China's foldable-screen smartphone shipments reached approximately 9.17 million units in 2024, representing a year-on-year increase of 30.8%. Global AI were under continual booming sentiment, and 2024 has been deemed as the inaugural year for AI smartphones and AI PCs. Many smartphone brands have raced to launch AI-powered devices, vying for leading market position and capturing consumer attention with innovative features. The integration of AI into smartphones, PCs and other consumer electronic products has brought great opportunities for industry chains, while also demanding higher standards in manufacturing technologies and processes. The Group, relying on topnotch technological superiority and strong manufacturing capabilities, has been deeply involved in the development of new products for customers, helping customers improve the competitiveness of their products. The Group continued to cultivate the high-end Android market, providing a full range of high-quality services to customers. During the Year, driven by the increased demand from both domestic and overseas customers, the Android components and assembly business achieved growth. With respect to the business with major overseas customers, the Group's shares of the business have further enhanced due to its outstanding business capability, which has resulted in a year-on-year increase in shipment and revenue. In addition, the Group consolidated the business acquired in 2023, driving rapid expansion of the consumer electronics components business scale. Through automation, the Group quickly enhanced operating efficiency. During the Year, the Group recorded a revenue of approximately RMB141,233 million in its consumer electronics business, representing a year-on-year increase of approximately 44.97%. In particular, revenue from components and parts was approximately RMB35,658 million, representing a year-on-year increase of 161.49%, and revenue from assembly was approximately RMB105,575 million, representing a year-on-year increase of 26.01%.

In terms of the new intelligent product business, driven by emerging technologies such as AI, 5G communication and Internet of Things, the application scenarios of new intelligent products continued to expand, and the user demand continued to upgrade, driving continuous expansion of market scale. AI data center has served as the key infrastructure for carrying computing power in the era of intelligence, providing computing power support for large model training and inference. As global downstream enterprises have continued to increase their use of large models of cloud vendors, enterprises have made substantial investments in AI data center, driving strong growth in demand for AI servers, thermal management, power management and other equipment for AI data center. The growing diversity of AI application scenarios, the surge in data volume, the rapid development of cloud and edge computing and continuous iterations in AI algorithms and models have collectively driven the rapid growth of the AI server market. According to TrendForce, large-scale cloud service providers and brands have strong demand for advanced AI servers. It was estimated that the output value of AI servers amounted to US$205 billion, accounting for 67% of the overall server market. IDC forecasts that the scale of China's AI server market will reach US$19 billion in 2024, representing a year-on-year increase of 87%. Liquid cooling technology has significantly improved server cooling efficiency while reducing energy consumption, aligning with the green data center development trend and gradually becoming a mainstream solution for modern data center cooling. MarketsandMarkets forecasts that the global data center liquid cooling market will reach US$4.9 billion in 2024, representing a year-on-year increase of 88%. During the Year, the Group continued to enhance strategic cooperation with industry-leading customers in various segments. Except for the household energy storage business which was under pressure, business segments such as unmanned aerial vehicles, smart home and gaming hardware all maintained steady development. At the same time, the Group sustained its efforts in the R&D of new products, capitalized on market opportunities, actively expanded into new businesses and continued to refine its business layout in AI data center, AI robots and other segments. In particular, 3D printers and AI servers realized mass production during the Year, and the development of liquid cooling and power supply products was completed, injecting new dynamics into the Group's business growth. The Group has completed the development of autonomous mobile logistics robots and has begun to deploy these robots in the manufacturing scenarios within the Group. In 2024, the Group's new intelligent products business recorded a revenue of approximately RMB15,560 million, accounting for 8.78% of the total revenue, representing a year-on-year decrease of 15.63%.

In terms of the new energy vehicles business, the new energy vehicles from China continued expanding its global footprint, and China remained the world's largest producer, consumer and exporter of new energy vehicles in the world. Driven by the accelerated integration of technologies in the fields of automobile and energy, transportation, information and communication, the new energy vehicles in China has kept ranking first in the world in annual production and sales volume for ten consecutive years. In 2024, China's new energy vehicles continued its rapid growth, with annual production and sales volume surpassing 10 million units for the first time, with sales volume accounting for over 40%. China's automobile brands have been thriving in the international market with their competitiveness and market share rising continuously. According to the China Association of Automobile Manufacturers, the production volume and sales volume of new energy vehicles in 2024 was 12.888 million units and 12.866 million units, respectively, representing a year-on-year increase of 34.4% and 35.5%, respectively, and the new energy vehicles recorded an export volume of 1.284 million units, representing a year-on-year increase of 6.7%. According to the China Passenger Car Association, the annual retail penetration rate of new energy passenger cars reached as high as 47.6%, representing a year-on-year increase of 12 percentage points, and the penetration rate exceeded 50% in the second half of the year for five consecutive months. China's new energy vehicle industry is undergoing a profound transformation, transitioning from quantitative accumulation to qualitative leaps, and accelerating its upgrade toward scalability, globalisation and intelligence. Favourable national policies and robust market demand are providing strong momentum for the industry's development. The booming development of digital economy further promotes intelligent networked vehicles to become an important direction of innovation and development of automobile industry. The State attaches great importance to the intelligent networked automobile industry, actively promotes the construction of vehicle-road-cloud integration, and accelerates the transformation and upgrading of the industry by strengthening innovation driving and optimizing policy supply. The Group has obvious advantages in first mover technology in intelligent cockpit systems, intelligent driving systems, intelligent suspension systems, thermal management, controllers, sensors and other areas. A number of products have been delivered in mass production, and the shipment volume has been continuously increased. The Group's intelligent cockpit system product line covers the central control system, instrumentation and display systems, HUD, acoustic systems, in-vehicle power charging systems, T-BOX and switch and control panel systems, which provide users with a multi-dimensional interactive experience. The Group has fully deployed intelligent driving platforms (including low, medium and high computing power platforms) to facilitate the shipments of intelligent driving system products leading in the domestic market. The core components of the thermal management system products of the Group are independently designed and manufactured, building a more comfortable driving environment for the consumers through efficient heat energy conversion and utilization. During the Year, as China's global leadership in new energy vehicles became further entrenched, coupled with China's rising market share of leading brands of new energy vehicles worldwide, the Group's smart cockpit product shipments have continued to grow, ranking among the top in the industry. Market share for intelligent driving and thermal management products has further increased, while intelligent suspension systems have entered mass production and delivery phases. The new energy vehicle business segment has maintained rapid growth momentum. In 2024, the Group's revenue from the new energy vehicle business segment amounted to approximately RMB20,513 million, accounting for 11.57% of the total revenue, representing an increase of approximately 45.53% as compared to the same period of 2023.

In the first half of 2024, the Group was included in the Hang Seng Index constituent stock and the ESG Enhanced Index of Hang Seng Index, and its profitability and development potential were recognized by the capital market. The Group actively undertook the responsibility for the sustainable development of economy, environment and society, actively responded to the national "carbon peaking and carbon neutrality" policy, continuously optimized green technologies, products and solutions, and focused on the green and low-carbon development of the industry. At the same time, the Group actively contributed to the public welfare and charity and donated materials to persons in need.

FUTURE STRATEGY

Looking ahead to 2025, even though the external environment is still complex and bleak, the supporting conditions and the fundamental trend of China's long-term economic growth remain unchanged. It is expected that the country will implement more proactive and effective macro policies to expand domestic demand, fully ignite market vitality and unlock intrinsic growth drivers to fuel high-quality economic development. As technological innovation continues to empower economic transformation and upgrading, and new quality productivity constantly create new growth points, the country will promulgate further policies and measures to support the development of the industry, with a focus on the development of new energy vehicles and electronic intelligent manufacturing related industries, so as to advance technological innovation and accelerate the release of consumer potential. On 8 January 2025, the National Development and Reform Commission and the Ministry of Finance issued the Notice on Strengthening and Expanding the Implementation of the Large-Scale Equipment Replacement and Consumer Goods Replacement in 2025 (《關於二零二五年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知》), offering subsidies for the upgrading and replacement of automobiles and digital products, injecting fresh momentum into the consumer sector. As a global leading provider of high-tech and innovative products, the Group will continue to strengthen core technology R&D and high-end manufacturing innovation, further enhancing vertical integration advantages, deepening strategic cooperation with key customers to actively seize market opportunities. While reinforcing our industry leadership in consumer electronics, the new energy vehicle sector will maintain robust growth, and emerging businesses such as AI data center and AI robots are expected to progress rapidly, supporting the Group to unlock a second growth driver.

In terms of consumer electronics business, as the AI wave deepens, it empowers functional innovation and accelerates AI applications at the device-side, becoming the core force driving a new cycle in the consumer electronics replacement market. The application of AI big models on mobile phones will reshape mobile phone interaction and break the bottleneck of innovation in the industry. Other new technology applications, such as satellite communication and interconnection of automobiles and mobile phones, will further enhance the functions and performance of mobile phones, bringing better experience for users. According to the forecast by IDC, the shipment of global smart phones will grow by 2.3% in 2025. IDC expects that the shipment of generative artificial intelligence (GenAI) smart phones will reach 912 million units in 2028, with a compounded growth rate of 78.4% from 2024 to 2028. The rapid integration of GenAI into smart phones is unprecedented in mobile history, with market penetration expected to exceed 60% in the first three years. In addition, China's new subsidy policy for the purchase of such consumer electronics as mobile phones and tablets is expected to boost confidence in the consumer electronics market and stimulate consumer demand. On 13 January 2025, the Ministry of Commerce, together with relevant departments, issued the Implementation Plan for New Subsidies for the Purchase of Mobile Phones, Tablets, and Smartwatches (Smart Bands) (《手機、平板、智能手錶(手環)購新補貼實施方案》), under which the new subsidies for the purchase of mobile phones and other digital products will be implemented from 20 January 2025 onwards across the country. According to the forecast by IDC, the shipment of China's smart phone market will reach 289 million units in 2025, representing a year-on-year increase of 1.6%. In the future, with the marketing of more Tri-fold or other forms of foldable products, the development of the foldable mobile phone market will be further promoted from the hardware, software ecology and usage scenarios. IDC expects that the shipment of China's foldable mobile phone market will reach approximately 10 million units in 2025, representing a year-on-year increase of 8.3%, and a compound growth rate of 10.6% by 2028. Due to great application potential of AI big models in commercial market and enterprise productivity scenarios, AI PC penetration has been accelerating, and it is expected by the industry that the year 2025 will see mass production of AI PCs. According to the forecast by Gartner, the shipment of global AI PCs will reach 114 million units in 2025, representing an increase of 165.5% from 2024. The share of AI PC shipments in total PC shipments will grow from 17% in 2024 to 43% in 2025. The IDC report points out that AI capabilities will gradually penetrate the tablet market and promote product upgrades. With the empowerment of device computing power, AI models and intelligent interaction, efficient office work, artistic creation and learning guidance will be the main direction for the launch and development of AI tablets, helping the tablet transform from an entertainment device to a professional productivity device. IDC anticipates that 75% of the tablets to be shipped from China's tablet computer market in 2025 will be equipped with NPUs to support AI computing, and the shipment of China's tablet computer market is expected to grow by 3.1% year-on-year in 2025. With the increasing complexity of AI terminals and the growth of the foldable smartphone market, it is expected that demands for high-strength and lightweight components and heat dissipation devices will increase, bringing about new development opportunities. As a global leading provider of high-tech and innovative products, the Group will continue to solidify its technological leadership, seize the market trends and the new development opportunities AI empowerment brings. Regarding the overseas major customers, the Group will continue to unlock the core business potential of these customers, actively expanding product categories, further increasing product share and expanding business scales. Regarding the Android business, the Group will deepen strategic cooperation with customers on high-end products, closely aligning with their business development needs, and supporting the iteration and upgrading of customer products. By 2025, the market demand for consumer electronics is expected to benefit from innovation and upgrades driven by AI technology applications. The Group's consumer electronics business will continue to grow alongside its customers, delivering growth both in shipments and revenue, and continuously strengthening its leading position in the industry. Moving forward, the Group will continue to strengthen its presence in domestic and international markets, advancing global expansion and driving sustained growth in its consumer electronics business.

In terms of new intelligent product business, the convergence and development of emerging technologies such as AI and 5G are empowering the realization of entirely new and diverse application scenarios, thereby giving rise to immense market demand. The Group's strategic layout in fields including AI data center, AI robotics, smart homes, gaming hardware, and drones will reap benefits from this trend. In particular, the vigorous development of AI and large language model technologies is propelling the rapid expansion of the market size for AI data center and AI servers, providing strong growth momentum for the Group's future development. According to Dell'Oro Group's forecast, by 2028, global data centre capital expenditure is expected to grow at a compound annual growth rate of 24%, primarily driven by a surge in demand for AI-related infrastructure. It is projected that by 2028, the global server market scale will approach USD500 billion, with acceleration servers accounting for more than half of the market share. McKinsey projects that between 2023 and 2030, demand for AIDC will grow at an average annual rate of 33%. By 2030, approximately 70% of data centre demand will stem from data centres supporting advanced AI applications, with the fastest-growing segment, generative AI, accounting for approximately 40%. The explosive growth of AI is driving a surge in demand for computing power, placing higher requirements on the construction and optimization of computing infrastructure. This, in turn, is accelerating the rapid expansion of the green data centre market, characterized by high energy efficiency and low carbon emissions. Fortune Business Insights projects that the size of global green data centre market is expected to grow from USD81.75 billion in 2024 to USD307.52 billion in 2032, with a compound annual growth rate of 18% over the forecast period. To address the high energy consumption challenges arising from the soaring demand for AI computing power, high-efficiency heat dissipation and low-energy liquid cooling technology have emerged as a major trend in achieving green, low-carbon computing. AI computing power is set to fully transition into the liquid cooling era by 2025. MarketsandMarkets forecasts that the size of global data centre liquid cooling market will expand from USD4.9 billion in 2024 to USD21.3 billion in 2030, achieving a compound annual growth rate of 27.6% during this period. Liquid-cooled servers have become essential hardware amid the artificial intelligence surge. IDC predicts that between 2023 and 2028, the Chinese liquid-cooled server market will achieve a compound annual growth rate of 47.6%, with the market size exceeding USD10.2 billion by 2028. Furthermore, AI technology is reshaping the ecosystem of industrial production, with edge-side AI applications further catalyzing the emergence of new industrial business models and collaborative frameworks across the industry. From quality control to robotic collaboration, the application of AI technology in industrial settings is progressively becoming a cornerstone for realizing smart manufacturing. As enterprises seek to enhance efficiency, productivity, and competitiveness, the adoption of advanced robotic solutions, including humanoid robots, is accelerating. Straits Research forecasts that the size of global industrial robotics market will grow from USD22.72 billion in 2025 to USD46.62 billion in 2033, with a compound annual growth rate of 9.4% over the forecast period. Humanoid robots are increasingly being applied in the industrial sector. Straits Research forecasts that the size of global humanoid robot market will grow from USD2.25 billion in 2024 to USD23.73 billion in 2032, with a compound annual growth rate of 34.2% during the forecast period. IndustryARC Report estimates that the global autonomous mobile robot market will reach USD14.4 billion by 2030, achieving a compound annual growth rate of 21.4% from 2023 to 2030. The Group continued to invest significant R&D resources in the area of data center. A comprehensive product portfolio covering AI servers, liquid cooling systems, power management, and high-speed communication solutions has been established, creating new and vast growth opportunities for the Group. Looking forward to 2025, with increasing demand for computing power, the AI server business of the Group will embrace rapid growth. As the data center market fully transitions into the liquid cooling era, demand for liquid cooling products will increase significantly. The Group will actively cooperate with major domestic and overseas customers to promote the continuous deployment of new products related to AI data center, thereby creating new engines for business growth. As a global leading provider of high-tech and innovative products, the Group possesses a wealth of industrial-grade application scenarios and a significant demand for robots. The Group is the first to apply AI technology to AMR logistics robots, which is expected to be deployed on a large scale in the future, thereby continuously enhancing warehouse and distribution efficiency. With years of industry expertise, the Group has rich experience in system-level product integration and has accumulated profound knowledge in sensor fusion and software algorithms for intelligent driving. Leveraging the high degree of technological synergy between AI robots and intelligent vehicles, the Group has established a comprehensive presence in a number of core components, including sensors, actuators and controllers, and system and complete machine for AI robots. In the future, the application of AI robots will further enhance the competitiveness of the Group. Besides, AI robot products are expected to bring new business growth points for the Group. In the future, underpinned by world-class R&D strength, global layout and vertical integration advantages, the Group will continue to explore new high-growth categories and markets, ensuring the long-term sustainable development of its business.

In terms of new energy vehicle business, the trend of intelligence, electrification and globalization has driven China's new energy vehicle market into the era of tens of millions of vehicles. On the basis of industrialization and marketization, China's new energy vehicles have entered a new stage of large-scale and globalized high-quality development. With the leading scientific and technological strength, product innovation and brand force enhancement, China's independent brands have accelerated to be international, and their global influence has been continuously enhanced. China's new energy vehicles continued to lead the transformation and reformation of the global automobile industry. GGII predicts that policies for trade-in, tax incentives and car-buying subsidy are expected to continue in 2025, which will stimulate the demand of the automobile market to maintain growth. Besides, the Central Economic Work Conference called for supporting the policies for new energy vehicles going to the countryside and trade-in to continue, so it is estimated that the sales volume of new energy vehicles in China will reach 16.1 million in 2025, and the electrification penetration rate is expected to exceed 50%. Gartner predicts that by the end of 2025, the global new energy vehicle market will increase by 33% on a year-on-year basis, reaching 85.14 million vehicles, among which, China's new energy vehicles will occupy a dominant position, accounting for 57.6%. With the electrification penetration rate reaching 50%, the transformation of the automobile industry will enter the future transformation with intelligence as the core. New energy vehicles and new generation information technologies such as artificial intelligence, 5G technology and big data have accelerated deep integration and the development. New functions are constantly emerging, network connection pipelines are increasingly diverse, and the scale of data processing is continuously expanding. New energy vehicles are upgrading from simple transportation vehicles to high-tech integrated high-end intelligent agents. On 5 December 2024, the General Office of the State Council issued the Opinions on Promoting the Construction of New-Type Urban Infrastructure and Building Resilient Cities. One of the key tasks is to further promote the development of "5G+ Internet of Vehicles", gradually and steadily promote the application of assisted driving and automatic driving, speed up the deployment of intelligent sensing systems for urban road infrastructure, improve the level of vehicle-road coordination, and promote the multi-scenario application of intelligent networked vehicles to meet the needs of intelligent transportation. With the support of national policies, cutting-edge technology is deeply integrated with the automobile industry to promote the intelligent and high-end development of automobiles. Benefiting from the increasingly mature technology and scale effect, intelligent driving technology is accelerating to extend to mid to low-end vehicle models. CITIC Securities predicts that the sales volume of new passenger cars equipped with NOA (Navigate on Autopilot) solutions in China is expected to soar to 5 million units in 2025, with a corresponding penetration rate of more than 20%. Looking forward to 2026, the sales volume of new cars equipped with NOA solutions is expected to increase by 60%-100% as compared with 2025. Gasgoo Research Institute predicts that the domestic market penetration rate of automatic driving passenger cars above L2 level is expected to exceed 65% in 2025. Counterpoint predicts that by 2026, the number of L3 ADAS passenger cars in China will exceed 1 million, and the shipment volume will account for 10% in 2028. The rapid development and consumption upgrading of the intelligent electric vehicle market have promoted the penetration of intelligent suspension into the market, further improved the intelligent level of chassis, and brought significant improvements in handling stability and driving smoothness and safety. Lian Chu Securities predicts that the market size of air suspension in China will increase from RMB12.2 billion in 2024 to more than RMB75 billion in 2030, with a compound growth rate of more than 35% from 2024 to 2030. With years of R&D investment and technology accumulation, the Group has built diversified product lines in the field of automotive electrification and intelligence. It is expected that in 2025, the Group will continue to benefit from the continuous increase in the penetration rate of new energy vehicles and the accelerated development of vehicle intelligence. The shipment volume of the Group's products such as intelligent cockpits and thermal management will continue to grow, the shipment volume and product specifications of the intelligent driving assistance system will increase, and the intelligent suspension products will enter a phase of volume-driven growth, driving the continuous rapid growth of the new energy vehicle business segment of the Group. In the future, with the continuous improvement of mass production and penetration rate of new products, the value of the Group's single vehicle will increase steadily, and the new energy vehicle business will maintain rapid development. The Group will continue to invest in R&D, expand product lines, actively deepen cooperation with domestic and foreign car companies and customers, and strive to become a leading global provider of new energy vehicle solutions.

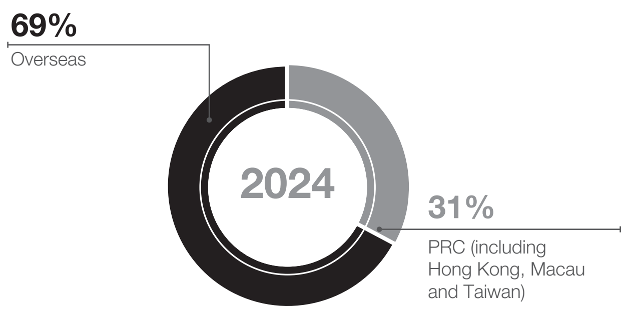
After years of intensive cultivation and continuous investment in R&D and innovation, the Group has established strong R&D teams covering innovative materials and processes, precision molds, product design and development, automation, informationization and other fields, and the Group's core competitiveness has been continuously enhanced. With its strong technology research and development advantages, the Group actively grasps market opportunities, deeply explores the potential of major customers, and continuously expands business boundaries. In recent years, the Group's business has expanded from a single Android field to a diversified layout of overseas major customers, automobiles and smart products, and has transformed from a precision manufacturing-driven growth model to an R&D innovation-driven growth model. Focusing on the new energy vehicle business, the Group has planned and researched and developed a series of product lines such as intelligent cockpits, intelligent driving, intelligent suspension, core controllers and sensors. Meanwhile, the Group has also made great progress in the fields of emerging intelligent products such as drones, game hardware and smart homes. Facing the trend of new technologies such as global artificial intelligence, the Group actively embraces the future, vigorously develops emerging businesses such as AI data center and AI robots, and cultivates new engines for growth. It is expected that all business segments of the Group will maintain a good momentum of development in 2025, and the business scale will continue to grow. Looking forward to the future, the Group will continue to uphold its core values, continuously strengthen its independent innovation and R&D capabilities, seize market opportunities, promote the upgrading of intelligent manufacturing, and strive to achieve long-term sustainable development and create value for its customers and shareholders.

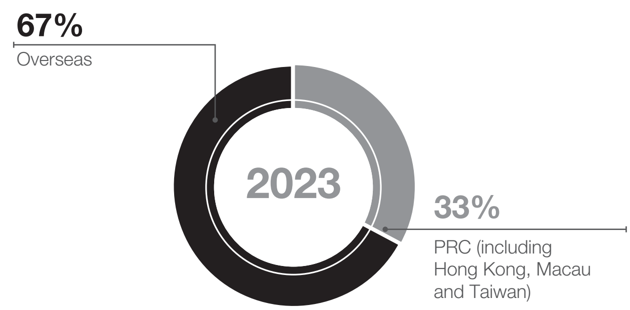
FINANCIAL REVIEW

Revenue of the Group for the Year recorded an increase of 36.43% as compared to the previous year, mainly driven by the growth in consumer electronics business and new energy vehicles business, while profit attributable to equity holders of the parent recorded an increase of 5.55% as compared to the previous year.

SEGMENT INFORMATION

Set out below is a comparison of geographical segments by customer location of the Group for the years ended 31 December 2024 and 2023:





GROSS PROFIT AND MARGIN

The Group's gross profit for the Year increased by approximately 17.90% to approximately RMB12,301 million. Gross profit margin decreased from approximately 8.03% in 2023 to approximately 6.94%. The decrease in gross profit margin was mainly due to the change of product structure.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group recorded a cash inflow from operations of approximately RMB6,714 million, compared with approximately RMB10,243 million recorded in 2023. The decrease in the cash inflow of the Group recorded during the period was mainly due to the decrease in cash received from the sale of goods. As of 31 December 2024, the Group had interest-bearing bank and other borrowings of approximately RMB10,807 million (31 December 2023: RMB14,613 million). The maturity profile of the interest-bearing bank and other borrowings thereof spreads over a period of five year. Approximately RMB6,505 million and approximately RMB4,302 million of the interest-bearing bank and other borrowings were repayable within one year and two to five years, respectively.

The Group maintained sufficient liquidity to meet daily liquidity management and capital expenditure requirements, and control internal operating cash flows. After taking into account, among others, the effect of the Acquisition in 2023 on the balance at beginning of period, turnover days of trade receivables and receivables financing were approximately 57 days for the Year, compared with approximately 50 days for the year ended 31 December 2023 (after taking into account, among others, the restoration effect of the Acquisition in 2023), which was mainly due to the fact that the increase of the balance of receivables on average was higher than that of revenue over the same period. Turnover days of inventory for the Year were approximately 41 days, compared with approximately 49 days for the year ended 31 December 2023 (after taking into account, among others, the restoration effect of the Acquisition in 2023), which was mainly due to the fact that the increase of the balance of inventory on average was lower than that of revenue over the same period.

CAPITAL STRUCTURE

The Group's financial division is responsible for the Group's financial risk management which operates according to policies implemented and approved by senior management. As of 31 December 2024, the Group had interest-bearing bank and other borrowings of approximately RMB10,807 million (31 December 2023: RMB14,613 million), which were settled in RMB, and its cash and cash equivalents were mainly held in RMB and US dollars. The Group's current bank deposits and cash balances and fixed deposits, as well as net cash derived from operating activities, will be sufficient to satisfy the Group's material commitments and working capital, capital expenditure, business expansion, investments and the expected debt repayment for at least the next year. As at 31 December 2024, the Group's outstanding loans were RMB loans at fixed interest rates.

The Group monitors capital using a gearing ratio, which is net liabilities divided by equity. The Group's policy is to maintain the gearing ratio as low as possible. Net liabilities include interest bearing liabilities less cash and bank balances. Equity represents equity attributable to owners of the parent. The gearing ratio was 18.01% as of 31 December 2024 (26.11% as of 31 December 2023).

EXPOSURE TO FOREIGN EXCHANGE RISK

Most of the Group's income and expenditure are settled in RMB and US dollars. During the Year, the Group did not experience any significant difficulties in or impacts on its operations or liquidity due to fluctuations in currency exchange rates. The Directors believe that the Group will have sufficient foreign exchange to meet its own foreign exchange needs.

CHARGE ON ASSETS

As at 31 December 2024, dedicated bank deposit was approximately RMB50,000 (a bank deposit of approximately RMB9,000,000 was pledged as letter of credit margin as at 31 December 2023).

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 31 December 2024, the Group had approximately 150 thousand employees. During the Year, total staff cost accounted for approximately 12.00% of the Group's revenue. Employees' remuneration was determined based on performance, qualifications and prevailing industry practices, with compensation policies being reviewed on a regular basis. Employees may receive bonuses and rewards, based on their annual performance evaluation. Incentives were offered to encourage personal motivation. As at 31 December 2024, the Company did not have any share scheme. However, on 17 March 2025, the Board resolved to adopt a share award scheme. For further details of the share award scheme, please refer to the section headed "Significant Event after the Reporting Period" of this announcement.

Since 2021, the Group has standardized a three-tier training framework for new staff members and has concretely carried out training. The subjects, hours and assessment methods of the three-tier training framework are clearly stated, and safety training materials and examination questions are drafted according to the job nature of employees. New employees are required to attend the training and pass the examination before taking on the job.

DIVIDEND DISTRIBUTION POLICY

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with sustainable dividend policy. The Company's dividend policy aims to allow shareholders to share the Company's profits and the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Company would consider various factors including (i) the financial performance and overall financial position of the Group; (ii) the debt-to-equity ratio and return on equity of the Group; (iii) the liquidity position and capital requirements of the Group; (iv) the current and future operation of the Group; (v) the business development strategy and future expansion plans of the Group; (vi) the general market conditions; (vii) any relevant requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and applicable laws, rules and regulations as well as the Company's Articles of Association; and (viii) any other factors which the Board deems relevant. The final dividend was approved at the general meeting after thorough discussion and compliance with relevant decision-making procedures. Compliant with the conditions under the dividend distribution policy, the Board may propose interim dividend distribution based on the profitability and capital requirements of the Company.

The Company shall review and reassess the dividend policy and its effectiveness on a regular basis or when necessary.

FINAL DIVIDEND

The Board has resolved to declare a final dividend of RMB0.568 per ordinary share (2023: RMB0.538 per ordinary share) for the Year which is subject to consideration and approval at the annual general meeting of the Company. Please refer to note 14 to the financial statements included in this announcement for details of the final dividend.

SHARE CAPITAL

As at 31 December 2024, the share capital of the Company was as follows:

Number of ordinary shares issued: 2,253,204,500 shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES AND MATERIAL INVESTMENTS OF CAPITAL ASSETS

There was no significant investment held and material acquisition and disposal of subsidiaries and associates during the Year. There was no plan authorised by the Board for material investments or additions of capital assets as at the date of this announcement.

CAPITAL COMMITMENT

As at 31 December 2024, the total capital commitments of the Company were approximately RMB807 million, compared with approximately RMB556 million as at 31 December 2023. The change was mainly due to the increased investment demand resulted from business expansion.

CONTINGENT LIABILITIES

Please refer to note 15 to the financial statements included in this announcement for details of contingent liabilities.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On 17 March 2025, the Board approved the adoption of the 2025 Share Award Scheme (the "Share Award Scheme"). The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the Share Award Scheme does not involve awards granted by way of issue of new Shares. Accordingly, the Share Award Scheme does not constitute a scheme involving issue of new Shares within the meaning of Chapter 17 of the Listing Rules and the adoption of which will not be subject to the approval of the Shareholders.

The total number of persons who participate in the Share Award Scheme is intended to be not more than 3,000, and the participants include (i) executive Directors and senior management of the Company; and (ii) mid-level management and core backbone employees of the Group. The employees who meet the above criteria in the Share Award Scheme may participate on the basis of the Company's independent discretion, voluntary participation by employees and self-assumed risk, with no instances of compulsory involvement through methods such as apportionment or forced allocation for employees. The Company will narrow down the final list of participants therefrom. All participants are required to work in the Group and have signed a labor contract or been employed by the Group.

The total amount involved in the Share Award Scheme shall not exceed RMB250 million. The Board or its Authorised Person(s) may purchase the Shares of the Company through the secondary market with the aforesaid funds at the prevailing market price at such time as it thinks fit in accordance with the relevant provisions of the Share Award Scheme, which will be the source of the Underlying Shares under the Share Award Scheme.

The Underlying Shares held under the Share Award Scheme will be unlocked in three phases. These three tranches of Shares will be unlocked after 12 months, 24 months and 36 months commencing from the next day upon the completion of the last purchase of the Underlying Shares, respectively. The ratio of each tranche of the Underlying Shares to be unlocked is 30%, 30% and 40%, respectively. The specific unlocking ratio and number for each tranche shall be determined based on the Company's performance appraisal and individual performance appraisal results.

For further details of the Share Award Scheme, please refer to the announcement of the Company dated 17 March 2025.

Save as provided above, there is no other subsequent event which has occurred to the extent that the Group's financial condition or operation has been materially affected after 31 December 2024 and up to the date of this announcement.

ENVIRONMENTAL PROTECTION AND SOCIAL SECURITY

During the Year, the Group had no significant environmental protection or social security issues.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE CODE (THE "CODE")

The Board is committed to maintaining and ensuring high standards of corporate governance practices.

The Board puts emphasis on maintaining a quality Board with the balance of skill set of the Directors, high transparency and effective accountability system in order to enhance shareholders' value. In the opinion of the Directors, the Company had complied with the applicable principles and code provisions as set out in Part 2 of Appendix C1 of the Listing Rules during the Year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules as the Company's code of conduct regarding securities transactions by its Directors. Having made specific enquiry, the Company confirmed all Directors have complied with their obligations under the Model Code regarding their securities transactions during the Year.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors and two non-executive Directors. A meeting was convened by the Company's audit committee on 24 March 2025 to review the accounting policies and practices adopted by the Group and to discuss auditing, internal control, risk management and financial reporting matters (including the review of the annual results of the Company for the Year) for recommendation to the Board for approval.

SCOPE OF WORK OF AUDITOR ON THE PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of this preliminary annual results announcement of the Group have been agreed by the Group's independent auditors, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary annual results announcement.

DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE

This annual results announcement has been published on the HKEXnews website of the Stock Exchange (http://www.hkexnews.hk).

By Order of the Board
BYD Electronic (International) Company Limited
WANG Nian-qiang
Director

Hong Kong, 24 March 2025

As at the date of this announcement, the executive Directors are Mr. WANG Nian-qiang and Mr. JIANG Xiang-rong; the non-executive Directors are Mr. WANG Chuan-fu and Mr. WANG Bo; and the independent non-executive Directors are Mr. CHUNG Kwok Mo John, Mr. QIAN Jing-jie and Ms. WANG Ying.