CHINA TIANRUI AUTOMOTIVE INTERIORS CO., LTD
中國天瑞汽車內飾件有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6162)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

RESULTS HIGHLIGHTS

	Year ended 31 December		
	2024	*2023*	
	RMB'000	RMB'000	Change
Revenue	**242,902**	245,833	-1.2%
Gross profit	**43,935**	47,119	-6.8%
Gross profit margin	**18.1%**	19.2%	-1.1%pts
Profit attributable to equity shareholders of the Company for the year	**1,996**	3,746	-46.7%
Earnings per share			
Basic and diluted (RMB cents)	**0.10**	0.19	-47.4%
Final dividend per share (proposed) (HK$ cents)	**–**	–	N/A

The board (the "**Board**") of directors (the "**Directors**") of China Tianrui Automotive Interiors Co., LTD (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 together with the comparative figures in 2023 and the relevant explanatory notes.

Consolidated statement of profit or loss
for the year ended 31 December 2024
(Expressed in Renminbi)

	Note	***2024*** **RMB'000**	*2023* RMB'000
Revenue	3	**242,902**	245,833
Cost of sales		**(198,967)**	(198,714)
Gross profit	3(b)	**43,935**	47,119
Other income	4	**3,973**	4,101
Selling and distribution expenses		**(2,757)**	(2,764)
Administrative expenses		**(32,183)**	(35,558)
Impairment losses on trade and other receivables		**(4,118)**	(231)
Profit from operations		**8,850**	12,667
Finance costs	5(a)	**(7,473)**	(9,351)
Profit before taxation	5	**1,377**	3,316
Income tax	6(a)	**589**	430
Profit attributable to equity shareholders of the Company for the year		**1,966**	3,746
Earnings per share			
– Basic and diluted (RMB cents)	7	**0.10**	0.19

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024
(Expressed in RMB)

	2024	*2023*
	RMB'000	RMB'000
Profit for the year	**1,966**	3,746
Other comprehensive income for the year (after tax):		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation into presentation currency of the Group	**186**	134
Total comprehensive income attributable to equity shareholders of the Company for the year	**2,152**	3,880

Consolidated statement of financial position
at 31 December 2024

(Expressed in RMB)

	Note	***2024*** **RMB'000**	*2023* RMB'000
Non-current assets			
Property, plant and equipment		**179,028**	164,989
Intangible assets		**848**	1,198
Prepayments for acquisitions of property, plant and equipment		**12,577**	9,443
Deferred tax assets		**8,898**	7,521
		201,351	183,151
Current assets			
Inventories		**53,145**	60,607
Trade and bills receivables	8	**204,890**	167,045
Prepayments and other receivables		**21,916**	25,527
Cash at bank and on hand		**142,260**	92,603
		422,211	345,782
Current liabilities			
Trade and bills payables	9	**131,137**	141,437
Accrued expenses and other payables		**64,770**	33,542
Bank and other loans		**135,541**	87,286
Lease liabilities		**4,441**	1,395
Current taxation		**2,053**	1,251
		337,942	264,911
Net current assets		**84,269**	80,871
Total assets less current liabilities		**285,620**	264,022

Consolidated statement of financial position
at 31 December 2024 (Continued)
(Expressed in RMB)

	Note	***2024*** **RMB'000**	*2023* RMB'000
Non-current liabilities			
Bank and other loans		**28,148**	14,803
Lease liabilities		**7,551**	715
Deferred income		**2,323**	3,058
		38,022	18,576
NET ASSETS		**247,598**	245,446
CAPITAL AND RESERVES	10		
Share capital		**17,522**	17,522
Reserves		**230,076**	227,924
TOTAL EQUITY		**247,598**	245,446

Notes to the financial statements

(Expressed in RMB unless otherwise indicated)

1 Corporate Information

China Tianrui Automotive Interiors Co., LTD (the "**Company**") was incorporated in the Cayman Islands on 27 April 2017 as an exempted company with limited liability under the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 15 January 2019. The Company and its subsidiaries (together, the "**Group**") are principally engaged in the manufacture and sale of automotive interior and exterior decorative components and parts.

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("**2020 amendments**") and amendments to IAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("**2022 amendments**")

- Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

Amendments to IAS 1, *Presentation of financial statements* (the 2020 and 2022 amendments, collectively the "IAS 1 amendments")

The IAS 1 amendments impact the classification of a liability as current or non-current, and have been applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions.

Upon the adoption of the IAS 1 amendments, the Group has reassessed the classification of its liabilities as current or non-current, and has made no reclassifications.

The amendments have no effect on the Group's consolidated statement of profit or loss, cash flows and earnings per share.

Amendments to IFRS 16, *Leases – Lease liability in a sale and leaseback*

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements.

Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: disclosures – Supplier finance arrangements*

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The Group has no such arrangements.

3 Revenue and segment reporting

(a) Revenue

The Group is principally engaged in the manufacture and sale of automotive interior and exterior decorative components and parts. Further details regarding the Group's principal activities are disclosed in Note 3(b).

Disaggregation of revenue from contracts with customers by major products is as follows:

	2024	*2023*
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products:		
– Sales of heavy trucks' decorative components and parts	**191,469**	224,354
– Sales of passenger vehicles' decorative components and parts, and related moulds	**51,433**	21,479
	242,902	245,833

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in Notes 3(b)(i) and 3(b)(iii) respectively.

The Group's customers with which transactions have exceeded 10% of the Group's revenue are set out below:

	2024	*2023*
	RMB'000	RMB'000
Customer A	**138,797**	160,313
Customer B	**45,093**	50,722
Customer C	**34,317**	*

* The revenue from relevant customer does not account for 10% or more of the total revenue of the Group during the corresponding year.

(b) Segment reporting

The Group manages its businesses by products. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Heavy trucks' decorative components and parts: this segment includes primarily the research, development, manufacture and sale of decorative components and parts to be installed in heavy trucks.

– Passenger vehicles' decorative components and parts: this segment includes primarily the research, development, manufacture and sale of decorative components and parts to be installed in passenger vehicles, and related moulds.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales and revenue generated by those segments and direct expenses incurred by those segments. The measure and revenue used for reporting segment result is gross profit. No inter-segment sales have occurred for the years ended 31 December 2024 and 2023. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating expenses, including other loss/income, selling and administration expenses and finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	2024		
	Heavy trucks' decorative components and parts RMB'000	**Passenger vehicles' decorative components and parts, and related moulds RMB'000**	**Total RMB'000**
Revenue recognised at a point in time from external customers	**191,469**	**45,586**	**237,055**
Revenue recognised over time from external customers	**–**	**5,847**	**5,847**
	191,469	**51,433**	**242,902**
Reportable segment gross profit	**36,739**	**7,196**	**43,935**

	2023		
	Heavy trucks' decorative components and parts RMB'000	Passenger vehicles' decorative components and parts RMB'000	Total RMB'000
Revenue recognised at a point in time from external customers	224,354	21,479	245,833
Reportable segment gross profit	46,744	375	47,119

(ii) Reconciliation of reportable segment profit or loss

	2024 **RMB'000**	*2023* RMB'000
Total reportable segment gross profit	**43,935**	47,119
Other income	**3,973**	4,101
Selling and distribution expenses	**(2,757)**	(2,764)
Administrative expenses	**(32,183)**	(35,558)
Impairment losses on trade and other receivables	**(4,118)**	(231)
Finance costs	**(7,473)**	(9,351)
Consolidated profit before taxation	**1,377**	3,316

(iii) Geographic information

The Group's revenue is substantially generated from the sales of automotive interior and exterior decorative components and parts in the PRC. The Group's business is substantially conducted in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

4 Other income

	2024 **RMB'000**	*2023* RMB'000
Government grants (including amortisation of deferred income)	**3,977**	3,112
Net gain on sales of scrap materials	**208**	571
Interest income	**130**	265
Net profit on disposal of property, plant and equipment	**679**	154
Net loss on disposal of a subsidiary	**(995)**	(9)
Net foreign exchange (losses)/gains	**(26)**	8
	3,973	4,101

5 Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs

	2024	*2023*
	RMB'000	RMB'000
Interest on bank and other loans	**6,946**	9,296
Interest on lease liabilities	**527**	55
	7,473	9,351

No borrowing costs have been capitalised during the years ended 31 December 2024 and 2023.

(b) Staff costs#

	2024	*2023*
	RMB'000	RMB'000
Salaries, wages and other benefits	**38,737**	36,625
Contributions to defined contribution retirement plan	**3,235**	3,140
	41,972	39,765

The employees of the subsidiaries of the Group established in the PRC (excluding Hong Kong) participate in the defined contribution retirement benefit plan managed by the local government authority, whereby the subsidiaries are required to contribute to the scheme at a rate of 16% of the employees' basic salaries. Employees of the subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC (excluding Hong Kong), from the above-mentioned retirement plan at their normal retirement age.

The Group also operates a Mandatory Provident Fund Scheme (the "**MPF Scheme**") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of Hong Kong Dollars ("**HK$**") 30,000. Contributions to the MPF Scheme vest immediately.

The Group has no further material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	2024	*2023*
	RMB'000	RMB'000
Amortisation cost of intangible assets#	**491**	444
Depreciation charge#		
– owned property, plant and equipment	**27,535**	32,433
– right-of-use assets	**2,461**	1,165
	30,487	34,042
Auditors' remuneration		
– audit service	**2,100**	2,100
Research and development costs	**8,581**	12,608
Cost of inventories#	**198,967**	198,714

\# Cost of inventories includes RMB51,601,000 (2023: RMB49,050,000) relating to staff costs, and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	*2023*
	RMB'000	RMB'000
Current taxation:		
Provision for the year	**788**	707
Deferred taxation:		
– Origination and reversal of temporary differences	**(1,377)**	(1,137)
	(589)	(430)

(b) Reconciliation between actual tax expense and accounting profit at applicable tax rates:

	2024	*2023*
	RMB'000	RMB'000
Profit before taxation	**1,377**	3,316
Expected tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned *(Notes (i),(ii) and (iii))*	**344**	829
Tax effect of non-deductible items	**311**	1,631
Tax effect on preferential tax rate *(Notes (iv) and (v))*	**1,068**	230
Tax effect on bonus deduction of research and development costs *(Note (vi))*	**(2,131)**	(3,135)
Tax effect of (used)/unused tax losses not recognised	**(181)**	15
Income tax	**(589)**	(430)

Notes:

(i) The Company incorporated in the Cayman Islands and the subsidiary of the Group incorporated in the British Virgin Islands (the "**BVI**") are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.

(ii) The subsidiary of the Group incorporated in Hong Kong is subject to Hong Kong Profits Tax rate of 16.5% for the year ended 31 December 2024 (2023: 16.5%). The entity did not have assessable profits which is subject to Hong Kong Profits Tax for the year ended 31 December 2024 (2023: RMB Nil).

(iii) The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate at 25% for the year ended 31 December 2024 (2023: 25%).

(iv) The PRC Corporate Income Tax Law allows enterprises to apply for certificate of "High and New Technology Enterprise" ("**HNTE**") which entitles the qualified companies to a preferential income tax rate of 15%, subject to fulfilment of the recognition criteria. Xi'an Tianrui Automotive Interiors Co., Ltd. ("**Xi'an Tianrui**"), a subsidiary of the Group, is qualified as a HNTE and the qualification is valid for three years from 2022 to 2025.

(v) Baoji Ruitong Automotive Interiors Co., Ltd., established in the PRC obtained approvals from the tax bureaux in 2021 that they are entitled to tax benefits applicable to entities under the Third Phase of the Western Region Development Plan of the PRC, and enjoy a preferential PRC Corporate Income Tax rate of 15% for the calendar years from 2021 to 2030.

(vi) According to the relevant tax rules in the PRC, qualified research and development costs, are allowed for bonus deduction for income tax purpose, i.e. an additional 100% (2023: 100%) of such expenses could be deemed as deductible expenses.

(c) Pillar Two income taxes

The Group operates in the PRC and has several investment holding companies in the Cayman Islands and Hong Kong, which has enacted new tax laws to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. Pillar Two income taxes does not have a significant impact on the Group.

7 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for year ended 31 December 2024 is based on the earnings attributable to equity shareholders of the Company of RMB1,996,000 (2023: RMB3,476,000) and the weighted average of 2,000,000,000 (2023: 2,000,000,000) ordinary shares.

The calculation of the weighted average number of ordinary shares are as follows:

	2024	*2023*
Issued ordinary shares at 1 January	**2,000,000,000**	2,000,000,000
Weighted average number of ordinary shares at 31 December	**2,000,000,000**	2,000,000,000

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the years ended 31 December 2024 and 2023.

8 Trade and bills receivables

	31 December 2024 **RMB'000**	*31 December 2023* RMB'000
Trade receivables, net of loss allowance	**190,842**	125,502
Bills receivables	**14,048**	41,543
	204,890	167,045

All of the trade and bills receivables, net of loss allowance for doubtful debts (if any), are expected to be recovered within one year.

(a) Ageing analysis

At the end of reporting period, the ageing analysis of trade and bills receivables, based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	2024	*2023*
	RMB'000	RMB'000
Less than 3 months	**99,747**	137,323
3 to 6 months	**49,081**	16,205
6 to 12 months	**56,062**	13,517
	204,890	167,045

9 Trade and bills payables

	2024	*2023*
	RMB'000	RMB'000
Trade payables	**97,314**	100,716
Bills payables	**33,823**	40,721
	131,137	141,437

All of the trade and bills payables are expected to be settled within one year or are repayable on demand.

At the end of reporting period, the ageing analysis of trade and bills payables, based on the invoice date, is as follows:

	2024	*2023*
	RMB'000	RMB'000
Less than 3 months	**72,966**	66,821
3 to 6 months	**29,663**	39,558
6 to 12 months	**15,322**	29,734
Over 1 year	**13,186**	5,324
	131,137	141,437

10 Capital and dividends

(a) Share capital

	2024		*2023*	
	No. of shares '000	**HK$'000**	No. of shares '000	HK$'000
Authorised:				
Ordinary shares of HK$0.01 each	**10,000,000**	**100,000**	10,000,000	100,000

	2024		*2023*	
	No. of shares	**RMB'000**	No. of shares	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	**2,000,000,000**	**17,522**	2,000,000,000	17,522
At 31 December	**2,000,000,000**	**17,522**	2,000,000,000	17,522

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

The Directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: RMB Nil).

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid/payable during the year

The Directors of the Company did not declare a final dividend for the year ended 31 December 2023 (2022: RMB Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Looking back on 2024, with the improvement of economic situation and the gradual recovery of social order, the whole automobile interior parts market tends to pick up. Taking into account the composition of the market alone, China's automobile market is dominated by passenger cars, and the proportion of commercial vehicle market is gradually decreasing. Based on the Company's management's judgment on the market prospect and the adjustment of the Company's business strategy, the sales of heavy trucks business sector decreased by 14.7% in 2024, and the passenger car business sector increased by 139.5%. It is estimated that the sales of heavy truck business sector will be around RMB150-180 million in 2025, accounting for about 40%; while the sales of passenger car business sector will be about RMB200-250 million, accounting for about 60%.

BUSINESS REVIEW

We are the largest heavy trucks' interior decorative components and parts manufacturer in North West China with a market-leading position. Our products primarily comprise a wide array of automotive interior decorative components and parts and to a lesser extent exterior decorative components and parts, which are designed to be installed on heavy trucks or passenger vehicles. We offer design and development solutions tailored to meet our customers' specific requirements of automotive interior decorative products including functional specifications and appearance.

The Group is principally engaged in the manufacture and sale of automotive interior decorative components and parts. The breakdown of our revenue by product category for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December			
	2024		*2023*	
	RMB'000	***%***	RMB'000	*%*
Heavy trucks' decorative components and parts	**191,469**	**78.83**	224,354	91.26
Passenger vehicles' decorative components and parts, and related moulds	**51,433**	**21.17**	21,479	8.74
Total	**242,902**	**100**	245,833	100

Revenue from sales of heavy trucks' decorative components and parts

The revenue from the sale of decorative parts of heavy trucks decreased from about RMB224.4 million in the year ended 31 December 2023 to about RMB191.5 million in the year ended 31 December 2024, with a decrease of about 14.7%.

The decrease is mainly due to the impact of the overall real estate cycle in China, which has led to a decline in the market for commercial vehicles such as heavy trucks.

Revenue from sales of decorative parts of passenger cars

The revenue from the sale of decorative parts for passenger cars increased from approximately RMB21.5 million in the year ended 31 December 2023 to approximately RMB51.4 million in the year ended 31 December 2024, with an increase of approximately 139.5%. The increase was mainly attributable to our adjusted business strategy, namely the expansion into the passenger cars sector in 2023; operation and delivery of the newly established decorative parts of passenger cars production line in 2024. As a result, our revenue from sale of decorative parts of passenger cars increased significantly.

FINANCIAL REVIEW

Revenue

Revenue decreased from about RMB245.8 million in the year ended 31 December 2023 to about RMB242.9 million in the year ended 31 December 2024, with a decrease of about 1.2%. The decrease was mainly due to the decrease in sales of decorative parts for our heavy trucks.

Gross profit and gross profit margin

Gross profit decreased from approximately RMB47.1 million in the year ended 31 December 2023 to approximately RMB43.9 million in the year ended 31 December 2024, with a decrease of approximately 6.8%. Gross profit margin decreased from about 19.2% as of 31 December 2023 to about 18.1% as of 31 December 2024, which was mainly due to the fact that the newly invested passenger car production line was in a period of capacity ramp up, resulting in significant fixed cost investment.

Other income

Other income decreased from about RMB4.1 million in the year ended 31 December 2023 to about RMB4.0 million in the year ended 31 December 2024, with a decrease of about 3.1%. This change was mainly due to the increase in the losses from disposal of subsidiaries in 2024 compared with 2023.

Selling and distribution expenses

The sales expenditure was about RMB2.8 million for the year ended 31 December 2024, which was unchanged from about RMB2.8 million for the year ended 31 December 2023.

Administrative expenses

The administrative expenditure decreased from about RMB35.6 million in the year ended 31 December 2023 to about RMB32.2 million in the year ended 31 December 2024, with a decrease of about 9.5%. The decline was mainly due to the decrease in business hospitality and R&D expenses in 2024.

Finance costs

The financial cost decreased from about RMB9.4 million in the year ended 31 December 2023 to about RMB7.5 million in the year ended 31 December 2023, with a decrease of about 20.1%. The decrease was mainly due to the decrease in interest expenses.

Income tax

The income tax credit for the year ended 31 December 2024 was about RMB0.6 million, while the income tax credit for the year ended 31 December 2023 was about RMB0.4 million. The income tax credit was mainly a result of confirmation of deferred tax assets.

Profit for the year

For the above reasons, the profit for the year ended 31 December 2024 was about RMB2.0 million, while the profit for the year ended 31 December 2023 was about RMB3.7 million.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The operating capital of the Group was mainly from cash from operating activities and bank and other loans. As at 31 December 2024 and 2023, cash and cash equivalents of the Group were approximately RMB95.5 million and RMB67.5 million respectively.

The Group monitors the cash flows and cash balance on a regular basis and seeks to maintain optimal level of liquidity that can meet the working capital needs while supporting a healthy level of business and its various growth strategies.

Bank and other loans

Bank and other loans increased from approximately RMB102.1 million as at 31 December 2023 to approximately RMB163.7 million as at 31 December 2024. Among them, the loans guaranteed by a third party, the ultimate controlling party of the Company, or a subsidiary of the Company amounted to approximately RMB92.0 million (2023: RMB47.5 million), and the secured bank and other loans in the amounts of approximately RMB63.7 million (2023: RMB54.6 million) were secured by trade and bills receivables, property, plant and equipment, and cash at bank of the Group, and the bank and other loans in the amounts of approximately RMB8.0 million (2023: RMB Nil) were guaranteed by the ultimate controlling party of the Company and secured by trade and bill receivables.

Gearing ratio

The gearing ratio as at 31 December 2023 and 2024 were at 41.6% and 66.1% respectively.

Gearing ratio equals total debts divided by total equity as at the end of the respective year. Total debts include all interest-bearing bank and other loans.

Inventories

Inventory decreased from about RMB60.6 million on 31 December 2023 to about RMB53.1 million on 31 December 2024, with a decrease percentage of about 12.3%. The decrease was mainly due to the improvement of the Group's supply chain and production management capabilities in 2024, and the reduction of inventory scale.

Prepayments for acquisitions of property, plant and equipment

Our prepayment for acquisitions of property, plant and equipment increased from approximately RMB9.4 million as at 31 December 2023 to approximately RMB12.6 million as at 31 December 2024, representing an increase of approximately 33.2%. The increase was mainly due to the investment in new projects of the Group in 2024.

Secured assets

Certain of the Group's bank and other loans are secured by the following assets of the Group as at 31 December 2024 and 2023:

	As at 31 December	
	2024	*2023*
	RMB'000	RMB'000
Property, plant and equipment	**85,071**	109,855
Trade and bills receivables	**14,096**	298
Cash at bank	**10,880**	5,000
	110,047	115,153

Capital expenditure

As at 31 December 2024, the capital expenditures were approximately RMB33.0 million (2023: approximately RMB21.4 million). The capital expenditures incurred for the year ended 31 December 2024 primarily related to the purchase of new machineries and equipments.

Capital commitments

As at 31 December 2024, the capital commitments in respect of property, plant and equipment contracted were approximately RMB25.5 million (2023: approximately RMB22.4 million).

Contingent liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities (2023: Nil).

FLUCTUATION OF RMB EXCHANGE RATE AND FOREIGN EXCHANGE RISKS

The majority of the Group's business and all bank borrowings are denominated and accounted for in RMB. Therefore, the Group does not have significant exposure to foreign exchange fluctuation.

The Board does not expect the fluctuation of RMB exchange rate and other foreign exchange fluctuations will have any material impact on the business operations or financial results of the Group. The Group will closely monitor the foreign exchange market and take appropriate and effective measures from time to time to reduce any negative impact from exchange-rate risk to the furthest extent.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the year ended 31 December 2024.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 321 full-time employees (2023: 361). For the year ended 31 December 2024, the total staff cost incurred by the Group was approximately RMB42.0 million (2022: approximately RMB39.8 million), an increase of approximately 5.6% compared with 2023. The increase was mainly due to the increase in the per capita salary of employees.

The remuneration policy of our Group to reward its employees and executives is based on their performance, qualifications and competence displayed and is comparable to the market. A remuneration package is typically comprised of salaries, discretionary bonuses, retirement scheme contributions, and other benefits.

In order to retain and develop the knowledge, skill and competence of our employees, the Group places a strong emphasis on training our employees. In addition, the Group offers a competitive remuneration package to retain elite employees, and reviews the package annually according to industry benchmark and financial results, as well as the individual performance of employees.

MAJOR SUBSEQUENT EVENTS

Save as disclosed in this announcement, there are no major events after 31 December 2024 which would materially affect the Group's operating and financial performance as of the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2024 and up to the date of this announcement, neither our Company, nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury share) (2023: Nil).

As of 31 December 2024, the number of issued shares (excluding treasury shares) of the Company was 2,000,000,000 (2023: 2,000,000,000).

FUTURE PROSPECTS

Looking forward to 2025, China's economy will continue to recover steadily, and the long-term positive fundamentals of the macro-economy will not change. The annual demand of heavy truck market will show a trend of lower demand at the beginning and higher demand afterwards, and the competition in the existing market will become the new norm. The passenger cars market with policy support is of promising prospect and can help increase the market share and sales volume of Chinese brand passenger cars. We will firmly promote the parallel operation in passenger cars and commercial vehicles sectors, maintaining our market share and expanding the external market.

We will continue to improve and continue to promote the "TES" (Tianrui Excellence Management System) to make the "Tianrui Basic Law" a standardized model of group management. Through benchmarking, we will complete digitalization of the Company's system, complete the incentive mechanism for key employees, and achieve a win-win situation for Tianrui community.

COMPLIANCE WITH THE CORPORATE GOVERNMENT CODE

Our Company has committed to delivering and maintaining a higher standard of corporate governance to meet business needs and shareholders' expectation. Our Company has adopted the principles and code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules (the "**Corporate Governance Code**") as the basis of our Company's corporate governance practices. The Company has complied with the Corporate Governance Code for the year ended 31 December 2024, save for the following deviation:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the role of chairman and the chief executive should be segregate and should not be performed by the same individual. However, Mr. Hou Jianli currently performs the roles as the chairman and general manager. The Board believes that vesting the roles of both chairman and general manager in the same person has the benefit of ensuring consistent leadership within our Group and enables more efficient overall strategic planning for our Group. The Board considers that the balance of power and authority will not be impaired by the present arrangement and this structure will enable our Company to make and implement decisions promptly and effectively. After taking into account the overall circumstances of our Group, the Board will continue to review and consider whether the duties of the chairman and general manager should be separated.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct regarding Directors' and employees' securities transactions. Upon specific enquiries, all Directors and members of the senior management confirmed that they have complied with the relevant provisions of the Model Code throughout the year ended 31 December 2024.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's independent auditor, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year then ended. The work performed by KPMG in this respect did not constitute an assurance engagement performed 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 KPMG on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "**AGM**") will be held on 25 June 2025. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be published by the Company.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 20 June 2025 to 25 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre,16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 19 June 2025, being the business day before the first day of closure of the register of members.

REVIEW OF ANNUAL RESULTS

The audit committee of the Board together with the management and the auditor of the Company had reviewed the accounting principles and policies adopted by the Group and discussed internal control and financial reporting matters including the annual results and the audit of the consolidated financial statements for the year ended 31 December 2024.

PUBLICATION OF THE CONSOLIDATED ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at http://www.trqcns.com and the annual report for the year ended 31 December 2024 containing all the information required by the Listing Rules will be published on the aforesaid websites of the Stock Exchange and the Company in due course.

By Order of the Board
China Tianrui Automotive Interiors Co., LTD
Hou Jianli
Chairman

Xi'an, the PRC, 27 March 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Hou Jianli and Ms. Zhang Jingrong, and three independent non-executive Directors, namely Mr. Zhu Hongqiang, Mr. Zhou Genshu and Mr. Chen Geng.