

奇瑞汽车
CHERY AUTO

奇瑞汽车股份有限公司
Chery Automobile Co., Ltd.

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

Stock Code: 9973.HK



2025
INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yin Tongyue (*Chairman and President*)

Mr. Zhang Guozhong

Non-executive Directors

Ms. Wang Laichun

Ms. Li Jing

Mr. Wang Jinhua

Mr. Wang Xiaowei

Mr. Bao Siyu

Mr. Yin Xiangling

Mr. Hu Jingyuan

Independent Non-Executive Directors

Mr. Shang Wenjiang

Mr. Yang Mianzhi

Mr. Ye Shengji

Mr. Lu Feng

Mr. Yang Shanlin

Mr. Lai Ni Hium, Frank

SUPERVISORS

Mr. Wu Yunfei (*Chairman*)

Mr. Xu Hui

Mr. Cai Changfeng

RISK CONTROL AND AUDIT COMMITTEE

Mr. Lai Ni Hium, Frank (*Chairman*)

Mr. Shang Wenjiang

Mr. Yang Mianzhi

Mr. Yang Shanlin

Mr. Wang Jinhua

Mr. Hu Jingyuan

Mr. Bao Siyu

NOMINATION AND REMUNERATION COMMITTEE

Mr. Shang Wenjiang (*Chairman*)

Ms. Li Jing

Mr. Wang Xiaowei

Mr. Zhang Guozhong

Mr. Lu Feng

Mr. Ye Shengji

Mr. Yang Mianzhi

STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE

Mr. Yin Tongyue (*Chairman*)

Ms. Wang Laichun

Mr. Wang Jinhua

Mr. Zhang Guozhong

Mr. Yin Xiangling

Mr. Lai Ni Hium, Frank

Mr. Ye Shengji

JOINT COMPANY SECRETARIES

Ms. Zhan Ni

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

AUTHORIZED REPRESENTATIVES

Mr. Zhang Guozhong

Ms. Zhan Ni

REGISTERED OFFICE

No. 8, Changchun Road

Economic Technology and Development Area

Wuhu, Anhui

PRC

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 8, Changchun Road

Economic Technology and Development Area

Wuhu, Anhui

PRC

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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AUDITORS

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISERS

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39/F
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PRINCIPAL BANKS

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COMPANY'S WEBSITE

www.chery-auto.com

STOCK CODE

9973

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

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

The Group takes pride in its technological prowess. With the Group's technological breakthroughs and innovations, including industry-leading vehicle platforms, state-of-the-art fuel and hybrid engine and transmission systems, E/E architecture, driving assistance technologies and intelligent cockpit system, the Group provides users worldwide with a superior mobility experience featuring high performance, comprehensive safety and superior comfort and intelligence.

Currently, the Group designs, develops, manufactures and sells passenger vehicles under five major brands namely, CHERY, JETOUR, EXEED, iCAR and LUXEED.

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

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

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

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

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

OUTLOOK AND FUTURE PLANS

The five major brands of the Group constitute a complementary brand portfolio. With distinct positioning and features, each brand targets different market segments with an expanding product lineup to meet diverse customer needs. In the second half of 2025, the Group plans to (i) further expand product lineup and sharpen brand positioning to enhance the Group's brand equity; (ii) continue to invest in R&D on next-generation technologies to strengthen the Group's competencies; (iii) continue to enhance vehicle electrification and intelligentization to embrace global mobility transformation; and (iv) expand the Group's international footprints with globalization strategy to solidify overseas market leadership.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The revenue of the Group was primarily from sales of passenger vehicles, and automotive parts and components. In addition, the Group also manufactured and sold KD kits, the revenue of which are included in the sales of passenger vehicles.

The following table sets forth the revenue breakdown by products for the periods indicated:

	For the six months ended 30 June			
	2024	(%)	2025	(%)
	(RMB million)		(RMB million)	
	(Unaudited)		(Unaudited)	
Passenger vehicles	101,862	90.8	128,646	90.9
Automotive parts and components	5,480	4.9	9,679	6.8
Others ⁽¹⁾	4,782	4.3	3,277	2.3
Total	112,124	100	141,602	100

Note:

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

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period, the total revenue of the Group amounted to RMB141,602 million, representing an increase of approximately 26.3% from RMB112,124 million during the Previous Period. The details of change of revenue by business lines are set out as below:

- (i) revenue from passenger vehicles increased by approximately 26.3% from RMB101,862 million during the Previous Period to RMB128,646 million during the Period due to the enhanced product competitiveness and market recognition resulting from technological innovation, enriched products portfolio and market development;
- (ii) revenue from automotive parts and components increased by approximately 76.6% from RMB5,480 million during the Previous Period to RMB9,679 million during the Period due to the increased demand for related components and parts driven by the rapid growth in passenger vehicle sales, as well as the growth in KD kits sales in overseas markets in 2025; and
- (iii) revenue from others decreased by approximately 31.5% from RMB4,782 million during the Previous Period to RMB3,277 million during the Period due to the lowering down of certain automotive-related production and supporting services.

The majority of the Group's revenue was derived from the sales of passenger vehicles. The table below sets forth the breakdown of the revenue generated from sales of passenger vehicles by energy type:

	For the six months ended 30 June			
	2024		2025	
	(RMB million) (Unaudited)	%	(RMB million) (Unaudited)	%
Passenger vehicles				
ICE vehicles	86,912	85.3	92,452	71.9
NEVs	14,950	14.7	36,194	28.1
– PHEVs and REEVs	8,480	8.3	22,596	17.6
– BEVs	6,470	6.4	13,598	10.5
Total	101,862	100	128,646	100

MANAGEMENT DISCUSSION AND ANALYSIS

The Group generated a majority of its revenue from the sales of ICE vehicles during the Period. As a result of the Group's business expansion in both domestic and overseas markets, the revenue from the sales of ICE vehicles increased from RMB86,912 million during the Previous Period to RMB92,452 million during the Period.

In 2023, the Group officially released its NEV new strategy. As a result, the revenue from NEV sales increased from RMB14,950 million during the Previous Period to RMB36,194 million during the Period due to the sales volume growth of the Group's NEV vehicles.

Cost of Sales

The cost of sales of the Group mainly comprised cost of materials for manufacturing of the Group's products, manufacturing costs and labor costs.

During the Period, the cost of sales of the Group amounted to RMB123,183 million, representing an increase of approximately 29.2% from RMB95,318 million during the Previous Period, which was in line with the increase in the revenue.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of the Group's gross profit and gross margin by products for the periods indicated:

	For the six months ended 30 June			
	2024		2025	
	Gross profit (RMB million) (Unaudited)	Gross margin (%)	Gross profit (RMB million) (Unaudited)	Gross margin (%)
Passenger vehicles	15,215	14.9	15,957	12.4
– ICE Vehicles	15,010	17.3	14,066	15.2
– NEVs	205	1.4	1,891	5.2
Automotive parts and components	1,103	20.1	2,025	20.9
Others	488	10.2	437	13.3
Total	16,806	15.0	18,419	13.0

Gross profit of the Group increased by approximately 9.6% from approximately RMB16,806 million during the Previous Period to approximately RMB18,419 million during the Period. Gross profit margin of the Group decreased by 2.0 percentage points to approximately 13.0% during the Period from approximately 15.0% during the Previous Period.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Period:

- (i) the gross margin from passenger vehicles decreased to 12.4% from 14.9% during the Previous Period, primarily as a result of the increase in revenue contribution of NEVs to total revenue, which currently had a lower profit margin than ICE vehicles, and intensifying competition in markets;
- (ii) the gross margin from automotive parts and components was relatively stable at 20.9% during the Period, as compared to that of 20.1% during the Previous Period; and
- (iii) the gross margin from others increased to 13.3% from 10.2% during the Previous Period, primarily as a result of the decrease in certain low profit margin automotive-related production and supporting services.

Other Income and Gains

The Group's other income and gains primarily comprise bank interest income, investment income, foreign exchange gains, additional deduction for value-added tax (VAT), research and development subsidies (R&D subsidies) and other subsidies. Additional deduction for VAT mainly represents the additional deduction of value-added tax for advanced manufacturing business. The R&D subsidies and other subsidies mainly represent subsidies from governments to encourage the Group's R&D activities and operations.

During the Period, the other income and gains of the Group amounted to RMB8,266 million, representing a significant increase of approximately 148.2% from RMB3,331 million during the Previous Period, which was primarily attributable to the increase in foreign exchange gains.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily include advertisement and marketing expenses, and employee benefit expenses for the Group's sales and marketing personnel.

During the Period, the selling and distribution expenses of the Group amounted to RMB5,962 million, representing an increase of approximately 73.1% from RMB3,445 million during the Previous Period, which was primarily attributable to the increase in advertisement and marketing expenses as well as employee benefit expenses.

Administrative Expenses

The Group's administrative expenses primarily consist of employee benefit expenses for its administrative personnel.

During the Period, the administrative expenses of the Group amounted to RMB2,650 million, representing a decrease of approximately 19.0% from RMB3,273 million during the Previous Period, which was primarily attributable to the decrease in equity-settled share-based compensation.

Research and Development Expenses

The Group's research and development expenses primarily consist of employee benefit expenses for our R&D personnel, cost of materials for R&D activities and design expenses.

During the Period, the research and development expenses of the Group amounted to RMB5,200 million, representing an increase of approximately 44.6% from RMB3,597 million during the Previous Period, which was primarily attributable to the enhancement of R&D efforts and the increase in employee benefits expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

During the Period, the Group recorded net impairment losses on financial and contract assets in the amount of RMB133 million as compared to net impairment gains on financial and contract assets in the amount of RMB784 million during the Previous Period. The turnaround was primarily attributable to the further provision for impairment losses of trade receivables and other receivables.

Finance Costs

Our finance costs comprise interest expenses on bank loans and other borrowings, long-term liabilities and lease liabilities.

During the Period, the finance costs of the Group amounted to RMB1,449 million, representing an increase of approximately 22.5% from RMB1,183 million during the Previous Period, which was primarily attributable to the Group's business expansion plan.

Share of Profits and Losses of Joint Ventures and Associates

The Group's share of profits and losses of joint ventures and associates comprises invest income in joint ventures and associates recognized under the equity method.

During the Period, the share of profits and losses of joint ventures and associates of the Group amounted to RMB704 million, representing a decrease of approximately 12.1% from RMB801 million during the Previous Period, which was primarily attributable to the decrease in profit of certain joint ventures and associates.

Income Tax Expense

The Group's income tax expense primarily includes the PRC enterprise income tax, and the applicable income taxes of other countries where we conduct business or have establishment.

During the Period, the income tax expense of the Group amounted to RMB1,872 million, representing a slight increase of approximately 3.8% from RMB1,803 million during the Previous Period, which was primarily attributable to the increase in the profit before tax.

Profit for the Period

In light of the above, the Group achieved a profit for the Period of RMB9,906 million as compared to that for the Previous Period of RMB7,898 million, with a net profit margin of 7.0% for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Inventories

The Group's inventories comprise raw materials, work in progress and finished goods. Raw materials mainly include steel products, seats, tires, battery cells and electronic components. Work in progress and finished goods mainly include semi-completed or completed passenger vehicles, respectively.

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

	As of 31 December 2024 (RMB million) (Audited)	As of 30 June 2025 (RMB million) (Unaudited)
Raw materials	2,370	1,211
Work in progress	4,911	4,686
Finished goods	29,043	21,749
Total	36,324	27,646

The Group's inventories decreased from RMB36,324 million as of 31 December 2024 to RMB27,646 million as of 30 June 2025, primarily due to enhancement of inventory management measures.

Trade Receivables

The Group's trade receivables represented receivables of income from the sales of its products from its customers.

The Group's trade receivables increased from RMB17,423 million as of 31 December 2024 to RMB34,937 million as of 30 June 2025, primarily due to the increase in the sales of the Group's products.

Financial Assets at Fair Value through Profit or Loss

The Group's financial assets at FVTPL include (i) unlisted equity investments; and (ii) wealth management products and structured deposits issued by banks in the PRC. All the structured deposits are principal-guaranteed while wealth management products are not.

The Group's financial assets at FVTPL increased from RMB19,579 million as of 31 December 2024 to RMB27,321 million as of 30 June 2025, primarily due to the purchase of wealth management products and structured deposits.

LIQUIDITY AND CAPITAL RESOURCES

During the Period, the Group financed its capital expenditure and working capital requirements mainly through cash generated from operating activities and bank loans.

Cash Position

As of 30 June 2025, the Group had cash and cash equivalents of approximately RMB42,520 million as compared to approximately RMB62,693 million as of 31 December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Cash flows

For the Period, the Group's net cash inflow from operating activities was approximately RMB14,004 million, as compared to a net cash inflow from the operating activities of approximately RMB20,520 million during the Previous Period, which was mainly attributable to higher income tax payments made during the Period.

For the Period, the Group's net cash outflow from investing activities was approximately RMB26,704 million, as compared to a net cash outflow from the investing activities of approximately RMB4,339 million during the Previous Period, which was mainly attributable to higher net expenditures on purchasing wealth management products and structured deposits during the Period.

For the Period, the Group's net cash outflow from financing activities was approximately RMB7,822 million, as compared to a net cash outflow from the financing activities of approximately RMB15,616 million during the Previous Period, which was mainly attributable to a decrease in repayments of bank and other interest-bearing borrowings during the Period.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

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

As of 30 June 2025, the Group had bank loans and other borrowings of RMB19,989 million as compared to RMB23,166 million as of 31 December 2024. The majority of the Group's bank loans and other borrowings were unsecured.

The Group's lease liabilities represented the outstanding lease payments primarily in respect of its leased buildings and properties. As of 30 June 2025, the Group had lease liabilities of RMB2,359 million as compared to RMB2,319 million as of 31 December 2024.

Contingent Liabilities

As of 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

Gearing Ratio

Gearing ratio is calculated based on the total liabilities as of the respective dates divided by total assets as of the respective dates. As of 30 June 2025, the gearing ratio of the Group is 86.1% (31 December 2024: 87.9%).

Pledge of Assets

As of 30 June 2025, the Group's borrowings were secured by the Group's assets in the amount of approximately RMB1,114 million (31 December 2024: RMB676 million). These pledged assets primarily comprise certain property, plant and equipment, land use rights and patents.

Commitments

As of 30 June 2025, the Group had capital commitments contracted for but not yet provided of RMB4,017 million, primarily representing contracted but unprovided commitments for property, plant and equipment.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RISKS

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

Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to its long-term interest-bearing bank borrowings with a floating interest rate. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts.

Foreign currency risk

The Group is exposed to transactional exchange rate risk. Such risks arise from transactions conducted by an operating entity in a currency other than its functional currency. To ensure the currency risk exposure of the Group is kept to an acceptable level and to minimize the gap between assets and liabilities in the same currency, the Group has used foreign currency forward contracts to manage foreign currency risk associated with foreign currency-denominated assets and liabilities.

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

Credit risk

The Group trades only with recognized and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans, and other available sources of financing.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The H Shares were not listed on the Stock Exchange during the Period. Therefore, the Corporate Governance Code did not apply to the Company during the Period.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules as the guidelines for the Directors' and the Supervisors' dealings in the securities of the Company since the Listing. As the H Shares were not listed on the Stock Exchange as of 30 June 2025, the Model Code does not apply to the Company during the Period.

UPDATES OF INFORMATION ON DIRECTORS AND SUPERVISORS

There are no changes in the information of the Directors and the Supervisors required to be disclosed pursuant to 13.51(2) paragraphs (a) to (e) and paragraph (g) of the Listing Rules as of the date of this report.

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

As the H Shares were not listed on the Stock Exchange as of 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury shares) during the Period. As of 30 June 2025, the Company has no treasury share.

OTHER INFORMATION

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the section headed “Future Plans and Use of Proceeds” as disclosed in the Prospectus, the Group has no other future plans for material investments and capital assets as of 30 June 2025.

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

During the Period, the Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures.

EMPLOYEE AND REMUNERATION POLICIES

As of 30 June 2025, the Group had 58,256 employees in total. During the Period, the staff cost recognized as employee benefit expenses by the Group amounted to approximately RMB7,588 million (30 June 2024: approximately RMB6,513 million).

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

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

USE OF PROCEEDS FROM THE LISTING

The Net Proceeds, after deducting related underwriting fees and other expenses in connection with the Listing, were approximately HK\$8,879.3 million. The Net Proceeds will be utilized for the purposes as set out in the Prospectus. As of the date of this report, the Company has not utilized any Net Proceeds for the intended purposes set out in the Prospectus.

OTHER INFORMATION

The following table sets forth the status of the use of proceeds from the Listing up to the date of this report:

Proposed Use of Net Proceeds as Set Out in the Prospectus	Unutilized Net Proceeds upon the Listing (without taking into account the exercise of the over-allotment option) (HK\$ million)	Actual use of the Net Proceeds subsequent to the Listing and up to the date of this report (HK\$ million)	Unutilized Net Proceeds as of the date of this report (HK\$ million)	Expected timeframe of full utilization of the Net Proceeds
For the R&D of passenger vehicles of different models and versions to further expand the Group's product portfolio				
– for developing and expanding the Group's NEV offerings	1,775.9	–	1,775.9	2028
– for the upgrade and broadening of the Group's existing product series	1,331.9	–	1,331.9	2028
For the R&D in the next-generation vehicle and advanced technologies to enhance our core technological competencies				
– for investing in upgrading the Group's electrification technologies and vehicle platform architecture	887.9	–	887.9	2028
– for investing in the driving assistance solutions and intelligent cockpit solutions	1,331.9	–	1,331.9	2028
For expanding overseas markets and execute our globalization strategy	1,775.9	–	1,775.9	2029
For upgrading the Group's production facilities located in Wuhu, Anhui	887.9	–	887.9	2029
For working capital and general corporate purposes	887.9	–	887.9	2030
Total	8,879.3	–	8,879.3	

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

OTHER INFORMATION

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

As the H Shares were not listed on the Stock Exchange as of 30 June 2025, Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, section 352 of the SFO and the Model Code were not applicable to the Directors, the Supervisors or the chief executive of the Company as of the same date. The Company will disclose the interests or short positions of the Directors, the Supervisors and the chief executives in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) in the forthcoming annual report of the Company.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As the H Shares were not listed on the Stock Exchange as of 30 June 2025, Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO were not applicable to the Company as of the same date. The Company will disclose the interests or short positions of the persons (not being Directors, Supervisors and chief executives of the Company) in the Shares and underlying Shares in the forthcoming annual report of the Company.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period.

RISK CONTROL AND AUDIT COMMITTEE

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

The Risk Control and Audit Committee has reviewed and agreed with the Group's unaudited interim condensed consolidated financial information for the Period and this report.

IMPORTANT EVENTS AFTER THE PERIOD

In connection with the Listing, 297,397,000 new Shares were issued at a price of HK\$30.75 per Share for the Net Proceeds of HK\$8,879.3 million. Dealing in the H Shares on the Stock Exchange commenced on 25 September 2025.

Save as disclosed, there are no important events affecting the Group which have occurred since 30 June 2025 and up to the date of this report.



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To the board of directors of Chery Automobile Co., Ltd.

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

INTRODUCTION

We have reviewed the interim financial information set out on pages 18 to 42, which comprises the condensed consolidated statement of financial position of Chery Automobile Co., Ltd. (the “Company”) and its subsidiaries (the “Group”) as of 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

OTHER MATTER

The comparative information for the interim condensed consolidated statement of financial position is based on the audited financial statements as of 31 December 2024. The comparative information for the interim condensed consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows, and related explanatory notes, for the six months ended 30 June 2024 has not been audited or reviewed.

Ernst & Young

Certified Public Accountants

Hong Kong

30 September 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
REVENUE	3	141,602	112,124
Cost of sales		(123,183)	(95,318)
Gross profit		18,419	16,806
Other income and gains		8,266	3,331
Selling and distribution expenses		(5,962)	(3,445)
Administrative expenses		(2,650)	(3,273)
Research and development expenses		(5,200)	(3,597)
Impairment (losses)/gains on financial and contract assets, net		(133)	784
Other expenses		(217)	(523)
Finance costs		(1,449)	(1,183)
Share of profits and losses of:			
Joint ventures		379	532
Associates		325	269
PROFIT BEFORE TAX	4	11,778	9,701
Income tax expense	5	(1,872)	(1,803)
PROFIT FOR THE PERIOD		9,906	7,898
Attributable to:			
Owners of the parent		9,705	7,824
Non-controlling interests		201	74
		9,906	7,898
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	7		
Basic (RMB)			
– For profit for the period		1.77	1.43
Diluted (RMB)			
– For profit for the period		1.77	1.43

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	9,906	7,898
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(1,080)	(101)
Share of other comprehensive income of joint ventures and associates	29	(36)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	(1,051)	(137)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of equity investments designated at fair value through other comprehensive income	(53)	(1)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	(53)	(1)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	(1,104)	(138)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,802	7,760
Attributable to:		
Owners of the parent	8,601	7,686
Non-controlling interests	201	74
	8,802	7,760

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 RMB million (Unaudited)	31 December 2024 RMB million (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	8	27,337	23,443
Right-of-use assets		3,340	3,350
Other intangible assets		2,525	2,057
Investments in joint ventures		11,085	9,793
Investments in associates		6,551	6,364
Equity investments designated at fair value through other comprehensive income		259	313
Prepayments, other receivables and other assets		899	839
Financial assets at fair value through profit or loss		61	61
Deferred tax assets		5,348	5,131
Time deposits		50	244
Total non-current assets		57,455	51,595
CURRENT ASSETS			
Inventories		27,646	36,324
Trade receivables	9	34,937	17,423
Bills receivables	9	276	774
Prepayments, other receivables and other assets		10,089	10,505
Prepaid income tax		137	162
Financial assets at fair value through profit or loss		27,321	19,579
Financial assets at fair value through other comprehensive income		2,041	7,547
Time deposits		20,457	7,319
Restricted bank deposits		500	75
Cash and cash equivalents		42,520	62,693
Total current assets		165,924	162,401
CURRENT LIABILITIES			
Trade and bills payables	10	106,314	101,496
Other payables and accruals		27,144	22,437
Derivative financial instruments		9	–
Interest-bearing bank loans and other borrowings		14,977	20,068
Lease liabilities		467	366
Tax payable		2,043	3,120
Contract liabilities		13,663	15,319
Provision		3,602	2,816
Deferred income		1,069	180
Total current liabilities		169,288	165,802
NET CURRENT LIABILITIES		(3,364)	(3,401)
TOTAL ASSETS LESS CURRENT LIABILITIES		54,091	48,194

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
NON-CURRENT LIABILITIES		
Other payables and accruals	5,311	4,854
Interest-bearing bank loans and other borrowings	5,012	3,098
Lease liabilities	1,892	1,953
Deferred tax liabilities	235	231
Deferred income	3,987	5,283
Provision	6,578	6,851
Total non-current liabilities	23,015	22,270
Net assets	31,076	25,924
EQUITY		
Equity attributable to owners of the parent		
Share capital	5,470	5,470
Reserves	26,260	21,018
	31,730	26,488
Non-controlling interests	(654)	(564)
Total equity	31,076	25,924

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent																		
	Share capital	Other comprehensive income*	Share-based compensation*	Other reserves*	Exchange fluctuation reserve*	Surplus reserves*	Retained profits*	Total	Non-controlling interests	Total equity									
											RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
											At 31 December 2024 (Audited)	5,470	(21)	2,016	11,967	(283)	2,592	4,747	26,488
Profit for the period	-	-	-	-	-	-	9,705	9,705	201	9,906									
Other comprehensive income for the period:																			
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	(53)	-	-	-	-	-	(53)	-	(53)									
Share of other comprehensive income of joint ventures and associates	-	29	-	-	-	-	-	29	-	29									
Exchange differences on translation of foreign operations	-	-	-	-	(1,080)	-	-	(1,080)	-	(1,080)									
Total comprehensive income for the period	-	(24)	-	-	(1,080)	-	9,705	8,601	201	8,802									
Disposal of interest in subsidiaries without loss of control	-	-	-	282	-	-	-	282	(273)	9									
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(87)	(87)									
Share-based compensation	-	-	265	-	-	-	-	265	-	265									
Share of other reserves of joint ventures and associates	-	-	-	3	-	-	-	3	-	3									
Capital contribution from non-controlling shareholders	-	-	-	9	-	-	-	9	37	46									
Transfer to safety production reserve	-	-	-	44	-	-	(44)	-	-	-									
Contribution from the shareholders	-	-	-	72	-	-	-	72	31	103									
Dividend declared (note 6)	-	-	-	-	-	-	(3,993)	(3,993)	-	(3,993)									
Others	-	-	-	3	-	-	-	3	1	4									
At 30 June 2025 (Unaudited)	5,470	(45)	2,281	12,380	(1,363)	2,592	10,415	31,730	(654)	31,076									

* These reserve accounts comprise the consolidated reserves of RMB26,260 million in the interim condensed consolidated statement of financial position at the end of 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital	Other comprehensive income	Share-based compensation	Other reserves	Exchange fluctuation reserve	Surplus reserves	Accumulated (loss)/retained profits	Total	Non-controlling interests	Total equity
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
At 31 December 2023 (Audited)	5,470	(31)	-	17,225	(414)	519	(7,318)	15,451	(870)	14,581
Profit for the period	-	-	-	-	-	-	7,824	7,824	74	7,898
Other comprehensive income for the period:										
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	(1)	-	-	-	-	-	(1)	-	(1)
Share of other comprehensive income of joint ventures and associates	-	(36)	-	-	-	-	-	(36)	-	(36)
Exchange differences on translation of foreign operations	-	-	-	-	(101)	-	-	(101)	-	(101)
Total comprehensive income for the period	-	(37)	-	-	(101)	-	7,824	7,686	74	7,760
Transfer of other reserves upon the disposal of equity investments at fair value through other comprehensive income	-	(30)	-	-	-	-	30	-	-	-
Business combination under common control	-	-	-	(7,320)	-	-	-	(7,320)	-	(7,320)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	439	439
Acquisition of non-controlling interests	-	-	-	(7)	-	-	-	(7)	(51)	(58)
Disposal of subsidiaries	-	-	-	(133)	-	-	-	(133)	(124)	(257)
Share-based compensation	-	-	1,760	-	-	-	-	1,760	-	1,760
Share of other reserves of joint ventures and associates	-	-	-	120	-	-	-	120	-	120
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	6	6
Transfer to safety production reserve	-	-	-	19	-	-	(19)	-	-	-
Contribution from the shareholders	-	-	-	1,928	-	-	-	1,928	(144)	1,784
Others	-	-	-	1	-	-	-	1	(45)	(44)
At 30 June 2024 (Unaudited)	5,470	(98)	1,760	11,833	(515)	519	517	19,486	(715)	18,771

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 (Unaudited) RMB million	2024 (Unaudited) RMB million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		11,778	9,701
Adjustments for:			
Finance costs		1,449	1,183
Share of profits and losses of joint ventures and associates		(704)	(801)
Depreciation and amortisation of non-current assets	4	1,951	1,561
Losses on disposal of items of property, plant and equipment		1	7
Fair value losses/(gains) on derivative financial instruments		9	(7)
Fair value gains on financial assets at fair value through profit or loss		(123)	(86)
(Reversal of provision)/provision for impairment of assets		128	105
Other income from investing activities		(642)	(664)
Assets-related government grants released		(73)	(91)
Share-based compensation		265	1,760
Effect of foreign exchange rate changes, net		(125)	118
		13,914	12,786
(Increase)/decrease in restricted bank deposits		(425)	206
Decrease/(increase) in inventories		7,239	(988)
(Increase)/decrease in trade receivables		(17,734)	1,101
Decrease in bills receivables		469	9,111
Decrease in contract assets		–	12
(Increase)/decrease in prepayments, other receivables and other assets		(105)	444
Decrease/(increase) in financial assets at fair value through other comprehensive income		5,486	(1,414)
Increase in capitalised development expenditures		(766)	(213)
Increase/(decrease) in trade and bills payables		5,097	(1,611)
Increase/(decrease) in other payables and accruals		4,998	(323)
Increase in deferred income		–	3,727
Decrease in contract liabilities		(1,550)	(4,010)
Increase in provision		513	2,254
Cash generated from operations		17,136	21,082
Income tax paid		(3,132)	(562)
Net cash flows from operating activities		14,004	20,520

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited) RMB million	(Unaudited) RMB million
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(6,021)	(2,731)
Purchases of other intangible assets	(112)	(82)
Receipt of government grants for non-current assets	42	220
Additions to right-of-use assets	(18)	(1)
Repayments of related parties	–	13,716
Placement of time deposits	(36,492)	(31,925)
Maturity of time deposits	23,548	16,563
Recovery of debt investments	–	380
Purchases of financial assets at fair value through profit or loss	(112,994)	(17,458)
Proceeds on disposal of financial assets at fair value through profit or loss	105,586	17,302
Proceeds on disposal of items of property, plant and equipment	65	205
Proceeds on disposal of equity investments designated at fair value through other comprehensive income	–	68
Settlement on derivative financial instruments	86	(155)
Investments in joint ventures and associates	(839)	–
Proceeds on disposal of investments in joint ventures and associates	177	31
Disposal of subsidiaries	2	35
Acquisition of a subsidiary	–	(800)
Interest received	123	112
Dividends received	143	181
Net cash flows used in investing activities	(26,704)	(4,339)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing bank loans and other borrowings	18,442	19,737
Repayments of interest-bearing bank loans and other borrowings	(21,320)	(36,651)
Interest paid for interest-bearing bank loans and other borrowings	(1,288)	(1,038)
Payments of listing expenses	(9)	–
Acquisition of non-controlling interests	–	(58)
Principal portion of lease payments	(147)	(131)
Proceeds from long-term payables	539	1,396
Repayments of long-term payables	(116)	(140)
Capital contribution from non-controlling shareholders	46	6
Dividends paid	(3,993)	–
Contribution from shareholders	14	1,263
Disposal interests of subsidiaries without losing control	10	–
Net cash flows used in financing activities	(7,822)	(15,616)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited) RMB million	(Unaudited) RMB million
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(20,522)	565
Cash and cash equivalents at beginning of period	62,693	35,048
Effect of foreign exchange rate changes, net	349	(138)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	42,520	35,475
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	63,527	56,216
Less: Time deposits	(20,507)	(20,360)
Less: Restricted bank deposits	(500)	(381)
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	42,520	35,475

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required for a complete set of financial statements prepared in accordance with HKFRS Accounting Standards and should be read in conjunction with the Group's Historical Financial Information as set out in the accountants' report included in Appendix I to the prospectus of the Company dated on 17 September 2025. The accounting policies and basis of preparation adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of those of the Group's Historical Financial Information.

The Group recorded net current liabilities of RMB3,364 million as of 30 June 2025. Taking into account the available facilities from banks and cash flows from operations for the twelve months from 30 June 2025, the directors of the Company believe that the Group will have sufficient financial resources to settle the borrowings and payments that will be due within next twelve months and consequently, the interim condensed consolidated financial information has been prepared on a going concern basis.

2. OPERATING SEGMENT INFORMATION

The Group was principally engaged in the manufacturing and sales of passenger vehicles and automotive parts and components in the PRC and overseas. The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

The following table shows the Group's total consolidated revenue by location of customers:

Geographical information

(a) Revenue from external customers

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Geographical markets		
PRC (including Hong Kong, Macau and Taiwan)	76,055	67,090
Other countries/regions	65,547	45,034
Total revenue	141,602	112,124

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

2. OPERATING SEGMENT INFORMATION (Continued)

Geographical information (Continued)

(b) *Non-current assets*

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Geographical markets		
PRC (including Hong Kong, Macau and Taiwan)	50,959	45,142
Other countries/regions	711	637
Total non-current assets	51,670	45,779

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

3. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Revenue from contracts with customers	141,602	112,124

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB million (Unaudited)	RMB million (Unaudited)
Passenger vehicles	128,646	101,862
Automotive parts and components	9,679	5,480
Others	3,277	4,782
Total	141,602	112,124
Timing of revenue recognition		
Transferred at a point in time	141,441	112,015
Transferred over time	161	109
Total	141,602	112,124

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

4. PROFIT BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Cost of inventories sold*	122,436	94,219
Depreciation of property, plant and equipment	1,403	1,156
Amortisation of other intangible assets	365	288
Depreciation of right-of-use assets	183	117
Research and development costs*	5,200	3,597
Lease payments not included in the measurement of lease liabilities	77	55
Employee benefit expense (excluding directors' and supervisors' remuneration):		
Wages and salaries	6,809	4,385
Pension scheme contributions	452	315
Share-based compensation	250	1,747
Impairment of financial and contract assets, net:		
Impairment/(reversal of impairment provision) of trade receivables, net	20	(493)
Impairment/(reversal of impairment provision) of financial assets included in prepayments, other receivables and other assets, net	113	(291)
Written-down of/(reversal of write-down of) inventories to net realisable value, net	(43)	550
Warranty provisions, net	3,221	3,315
Impairment of an investment in an associate**	–	336
Impairment of items of property, plant and equipment **	3	3
Impairment of other intangible assets**	35	–
Foreign exchange gains, net	3,398	182
Dividend income from equity investments at fair value through other comprehensive income***	13	19

* Cost of inventories sold and research and development costs include expenses relating to staff cost, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** Impairment of an investment in an associate, impairment of items of property, plant and equipment and impairment of other intangible assets are included in "Other expenses" in the condensed consolidated statement of profit or loss.

*** Dividend income from equity investments at fair value through other comprehensive income is included in "Other income and gains" in the condensed consolidated statement of profit or loss.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

5. INCOME TAX

PRC corporate income tax

Under the PRC Corporate Income Tax Law and the respective regulations, the corporate income tax for the Company and its subsidiaries is calculated at a statutory rate of 25% or a preferential rate of 15% where applicable, on their estimated taxable profits for the year based on the existing legislations, interpretations and practices in respect thereof.

Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions have been calculated on the estimated taxable profit for the period at the respective rates prevailing in the relevant jurisdictions.

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Current income tax	2,073	2,172
Deferred income tax	(201)	(369)
Total	1,872	1,803

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates, and the legislation is effective for the Group's financial year beginning 1 January 2024.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the fiscal year of 2024 and in the first half year of 2025. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group does not expect a material exposure to Pillar Two income taxes.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

6. DIVIDENDS

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Final	3,993	–

The final dividends of RMB0.73 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date in respect of 30 November 2024 were declared and approved by the Annual General Meeting of the Company in 2025.

No dividend was paid or declared by the Company during the six months ended 30 June 2024.

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the period.

The Group had no potentially dilutive ordinary shares in issue during the period ended 30 June 2025 and 2024.

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

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation:	9,705	7,824

	Number of shares	
	2025	2024
	Million	Million
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation	5,470	5,470

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

8. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Carrying value at beginning of the period (audited)	23,443	18,968
Additions	5,432	3,601
Disposal	(66)	(197)
Disposal of subsidiaries	(109)	(61)
Depreciation during the period	(1,403)	(1,156)
Impairment	(3)	(3)
Exchange realignment	43	4
Carrying value at end of the period (unaudited)	27,337	21,156

As of 30 June 2025, certain of the Group's property, plant and equipment with aggregate net carrying values of approximately RMB921 million (31 December 2024: RMB454 million) were mortgaged to secure certain interest-bearing bank borrowings and bank facilities of the Group.

9. TRADE AND BILLS RECEIVABLES

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

	30 June	31 December
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Audited)
Trade receivables		
Within 1 year	34,841	17,336
1 to 2 years	86	74
2 to 3 years	10	13
Total	34,937	17,423
Bills receivable		
Bank acceptance bills	276	774

As of 30 June 2025 and 31 December 2024, all bank acceptance bills are aged within 6 months and none of the bills receivable was overdue.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

10. TRADE AND BILLS PAYABLES

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

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Trade payables		
Within 1 year	90,556	99,286
1 to 2 years	220	367
2 to 3 years	40	39
Over 3 years	93	79
Total	90,909	99,771

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Bills payable		
Within 1 year	15,405	1,725

11. CONTINGENT LIABILITIES

As of the end of the reporting period, the Group did not have any material contingent liabilities.

12. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Contracted, but not provided for:		
Property, plant and equipment	4,017	2,519

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Associates and its subsidiaries:		
Sales of products	403	206
Purchases of products	9,323	6,590
Purchases of property, plant and equipment	244	123
Rendering of services	13	5
Receipt of service	3	3
Lease expense	–	5
Joint ventures and its subsidiaries:		
Sales of products	3,229	1,869
Purchases of products	159	–
Placement of time deposits	5,000	5,000
Maturity of time deposits	(5,000)	–
Interest income	40	21
Rendering of services	5	–
Receipt of service	15	–

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. RELATED PARTY TRANSACTIONS (Continued)

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

	Six months ended 30 June	
	2025	2024
	RMB million	RMB million
	(Unaudited)	(Unaudited)
Chery Holding Group Co., Ltd. ***and its subsidiaries, joint ventures and associates:		
Sales of products	491	2,072
Sales of property, plant and equipment	1	2
Purchases of products	1,315	2,741
Purchases of property, plant and equipment	6	21
Lease expense	9	9
Rendering of service	78	38
Receipt of service	197	7
Acquisition of subsidiaries	–	7,320
Luxshare Limited and its subsidiaries:		
Purchases of products	946	722
Sales of products	8	–
Wuhu Investment Holding* and its subsidiaries:		
Purchases of products	1,893	1,402
Purchases of property, plant and equipment	25	15
Sales of products	161	47
Ruichuang** and its subsidiaries:		
Lease expense	–	2

* Wuhu Investment Holding Co., Ltd * (“Wuhu Investment Holding”) is a shareholder with significant influence over the Company.

** Wuhu Ruichuang Investment Co., Ltd. (“Ruichuang”) is a shareholder of the Company.

*** Chery Holding Group Co., Ltd. is no longer a related party of the Group since the completion of the equity transfer on 20 January 2025. The above amount with Chery Holding Group Co., Ltd. for the six months ended 30 June 2025 is disclosed to maintain consistency in disclosure during the period. The same practice is adopted in disclosure of other notes where balances or amounts with Chery Holding Group Co., Ltd. is disclosed.

Note:

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

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. RELATED PARTY TRANSACTIONS (Continued)

(b) Other transactions with related parties:

- (i) As of 31 December 2024 and 30 June 2025, the Group provided guarantee to an associate of the Group for its bank borrowing amounting to RMB197 million and nil, respectively.

(c) Outstanding balance with related parties:

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Lease liabilities:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	156	161
Associates and its subsidiaries	–	48
Ruichuang and its subsidiaries	2	2
Total	158	211
Prepayments, other receivables and other assets:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	287	211
Associates and its subsidiaries	250	260
Joint ventures and its subsidiaries	410	243
Wuhu Investment Holding and its subsidiaries	9	6
Impairment allowance	(357)	(306)
Total	599	414
Trade receivables:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	2,723	2,535
Associates and its subsidiaries	1,230	1,058
Joint ventures and its subsidiaries	766	719
Wuhu Investment Holding and its subsidiaries	42	39
Luxshare Limited and its subsidiaries	2	–
Impairment allowance	(594)	(591)
Total	4,169	3,760

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balance with related parties: (Continued)

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Trade and bills payables:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	686	2,667
Luxshare Limited and its subsidiaries	841	1,181
Wuhu Investment Holding and its subsidiaries	1,675	1,761
Joint ventures and its subsidiaries	240	3
Associates and its subsidiaries	9,121	7,528
Total	12,563	13,140
Other payables and accruals:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	360	169
Associates and its subsidiaries	1,015	1,050
Wuhu Investment Holding and its subsidiaries	9	5
Ruichuang and its subsidiaries	–	430
Joint ventures and its subsidiaries	6	–
Total	1,390	1,654

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

13. RELATED PARTY TRANSACTIONS (Continued)

(c) Outstanding balance with related parties: (Continued)

	30 June 2025	31 December 2024
	RMB million (Unaudited)	RMB million (Audited)
Contract liabilities:		
Chery Holding Group Co., Ltd. and its subsidiaries, joint ventures and associates	48	63
Joint ventures and its subsidiaries	207	294
Associates and its subsidiaries	12	1
Wuhu Investment Holding and its subsidiaries	–	2
Total	267	360

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

	Six months ended 30 June	
	2025	2024
	RMB thousand (Unaudited)	RMB thousand (Unaudited)
Fee	392	372
Salaries, allowances, bonuses and benefits in kind (including contributions to pension plans)	32,360	27,758
Share-based compensation expenses	44,742	37,800
Total compensation paid to key management personnel	77,494	65,930

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, the current portion of time deposit, trade and bill receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, the current portion of financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team is responsible for determining the policies and procedures for the fair value management of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At the end of each of the period, the corporate finance team analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation was reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the bills receivable classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivable will mature within one year, and thus their fair values approximate to their carrying values.

The Group invests in unlisted investments, which represent structured deposit, wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of structured deposit by using a discounted cash flow valuation approach, and estimated the fair value of wealth management products based on the valuation report released by the wealth management product manager where available and consider liquidity discount where applicable.

Derivative financial instruments, including forward currency contracts, interest rate swaps are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management applies valuation techniques mainly comprise discounted cash flow approach and market comparable company approach to determine fair value. The sensitivity of fair values has been assessed that changes in unobservable inputs which reflect reasonable alternative assumptions would not result in significant changes in fair values.

The fair values of the non-current portion of time deposits, interest-bearing bank borrowings, long-term receivable, debt investment and long-term payables included in other payables and accruals have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As of 30 June 2025

	Fair value measurement using			Total RMB million (Unaudited)
	Quoted prices in active markets (Level 1) RMB million (Unaudited)	Significant observable inputs (Level 2) RMB million (Unaudited)	Significant unobservable inputs (Level 3) RMB million (Unaudited)	
Equity investments designated at fair value through other comprehensive income	–	–	259	259
Bills receivables included in financial assets at fair value through other comprehensive income	–	2,041	–	2,041
Financial assets at fair value through profit or loss	–	27,321	61	27,382
Total	–	29,362	320	29,682

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As of 31 December 2024

	Fair value measurement using			Total RMB million (Audited)
	Quoted prices in active markets (Level 1) RMB million (Audited)	Significant observable inputs (Level 2) RMB million (Audited)	Significant unobservable inputs (Level 3) RMB million (Audited)	
Equity investments designated at fair value through other comprehensive income	–	–	313	313
Bills receivables included in financial assets at fair value through other comprehensive income	–	7,547	–	7,547
Financial assets at fair value through profit or loss	–	19,579	61	19,640
Total	–	27,126	374	27,500

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

	2025 RMB million (Unaudited)	2024 RMB million (Unaudited)
Equity investments at fair value through other comprehensive income		
At 1 January	313	262
Total losses recognised in other comprehensive income	(54)	(9)
At 30 June	259	253

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2025

14. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As of 30 June 2025

	Fair value measurement using			Total RMB million (Unaudited)
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB million	RMB million	RMB million	
	(Unaudited)	(Unaudited)	(Unaudited)	
Derivative financial instruments	–	9	–	9

The Group did not have any financial liabilities measured at fair value as of 31 December 2024.

During the six months ended 30 June 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

15. EVENTS AFTER THE REPORTING PERIOD

On 25 September 2025, the Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited upon completion of the issuance of 297,397,000 shares at a price of HK\$30.75 per share.

16. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 30 September 2025.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Chery Automobile Co., Ltd. (奇瑞汽車股份有限公司), a limited liability company established under the laws of the PRC in 1997 and converted into a joint stock limited liability company in the PRC on 24 March 2008
“Corporate Governance Code”	the corporate governance code set out in Part 2 to Appendix C1 of the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Shares”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which will be subscribed for and traded in HK dollars and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Mr. Yin”	Mr. Yin Tongyue, the executive Director, the chairman of the Board and the president of the Group
“Net Proceeds”	the net proceeds from the Listing
“Period”	the six months ended 30 June 2025
“PRC”	the People’s Republic of China, for geographical reference only and except where the context requires, references to the “PRC” do not apply to Hong Kong, Macau and Taiwan
“Previous Period”	the six months ended 30 June 2024
“Prospectus”	the prospectus of the Company dated 17 September 2025

DEFINITIONS

“R&D”	research and development
“Risk Control and Audit Committee”	the risk control and audit committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor”	the supervisor of the Company
“%”	per cent