GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock codes: 175 (HKD counter) & 80175 (RMB counter)

INSPIRE BEYOND LIMITS

Innovation \ Drive \ Future

Annual Report 2024

CONTENTS

02 KEY FIGURES

003 Five Years Financial Summary

06 EDITORIAL

007 Chairman's Statement

11 MANAGEMENT REPORT

012 Performance & Governance

029 Directors and Senior Management Profiles

035 Corporate Governance Report

065 Directors' Report

119 ACCOUNTS

119 Independent Auditor's Report

126 Consolidated Income Statement

127 Consolidated Statement of Comprehensive Income

128 Consolidated Statement of Financial Position

130 Consolidated Statement of Changes in Equity

132 Consolidated Statement of Cash Flows

135 Notes to the Consolidated Financial Statements

OUR COMPANY

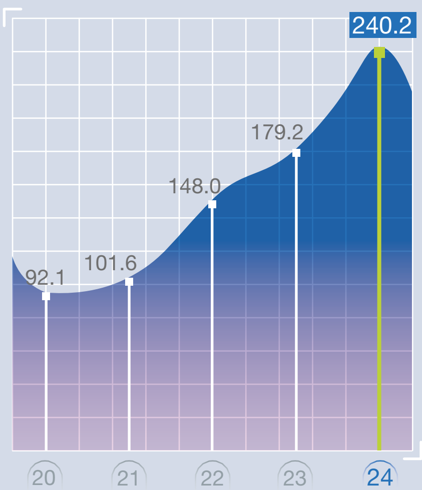
311 Corporate Information

1010

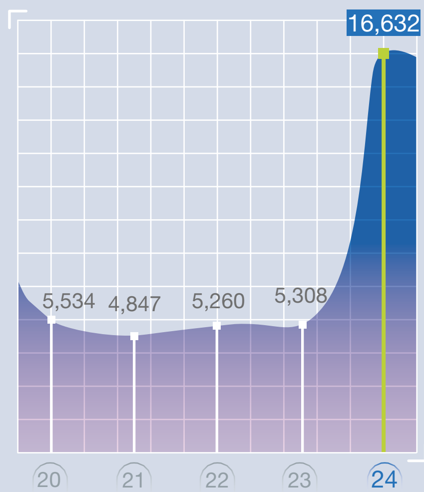
KEY FIGURES

FIVE YEARS FINANCIAL SUMMARY

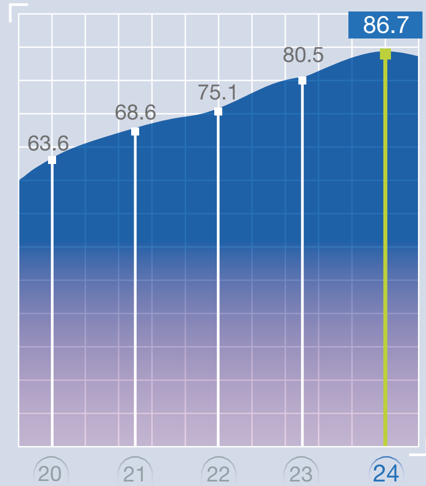
REVENUE
(RMB Billion)



PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RMB Million)



EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RMB Billion)



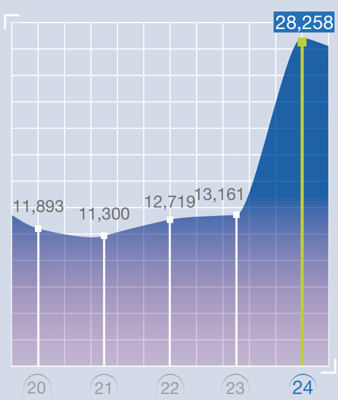
A summary of the results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below:

	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Revenue	240,194,270	179,203,592	147,964,647	101,611,056	92,113,878
Profit before taxation	18,403,553	4,949,942	4,681,941	4,665,175	6,440,978
Taxation	(1,604,458)	(14,924)	(32,278)	(312,167)	(866,348)
Profit for the year	16,799,095	4,935,018	4,649,663	4,353,008	5,574,630
Attributable to:					
Equity holders of the Company	16,632,398	5,308,408	5,260,353	4,847,448	5,533,790
Non-controlling interests	166,697	(373,390)	(610,690)	(494,440)	40,840
	16,799,095	4,935,018	4,649,663	4,353,008	5,574,630
Assets and liabilities					
Total assets	229,391,659	192,597,681	157,826,329	134,341,404	110,815,729
Total liabilities	(136,971,729)	(107,446,183)	(81,630,514)	(64,120,432)	(46,602,463)
Total equity	92,419,930	85,151,498	76,195,815	70,220,972	64,213,266
Represented by:					
Equity attributable to equity holders of the Company	86,742,225	80,508,824	75,130,455	68,606,146	63,631,114
Non-controlling interests	5,677,705	4,642,674	1,065,360	1,614,826	582,152
	92,419,930	85,151,498	76,195,815	70,220,972	64,213,266

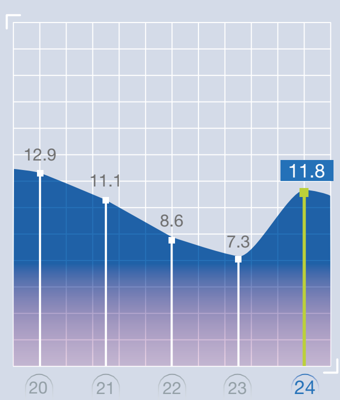
FIVE YEARS FINANCIAL SUMMARY

OTHER KEY FINANCIAL FIGURES

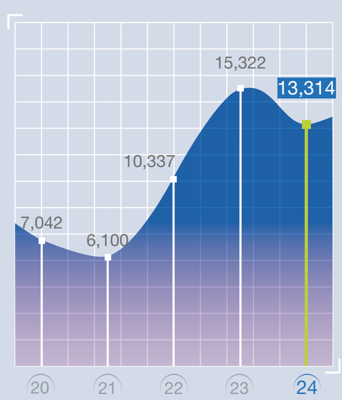
EBITDA[1]
(RMB Million)



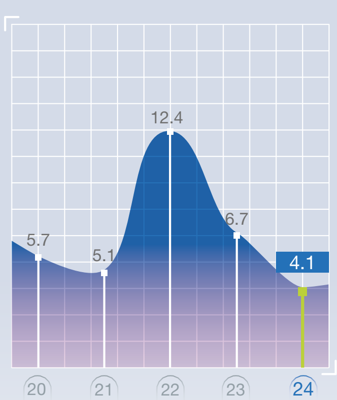
EBITDA Margin[2]
(%)



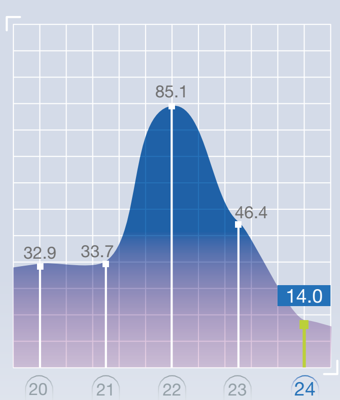
CAPEX[3]
(RMB Million)



TOTAL DEBT[4]/TOTAL CAPITAL[5]
(%)



TOTAL DEBT/ EBITDA
(%)



(1) EBITDA is calculated by adding taxes, depreciation and amortisation (including other amortisation charges categorised within total expenses), and finance cost, excluding other gains/(losses), net, other than government subsidies, to profit for the year.
(2) EBITDA margin is calculated by dividing EBITDA by turnover for the relevant year, expressed as a percentage.
(3) CAPEX includes cash outlays on additions to property, plant and equipment, intangible assets and land lease prepayments.
(4) Total debt is the sum of current and non-current borrowings, convertible bonds, bonds payable and senior notes.
(5) Total capital includes total non-current borrowings plus total equity.

FIVE YEARS FINANCIAL SUMMARY

	Formula	2024	2023	Change in Percentage Increase/ (Decrease)
For the year				
Revenue (RMB'000)		**240,194,270**	179,203,592	34
Profit attributable to equity holders of the Company (RMB'000)	(1)	**16,632,398**	5,308,408	213
Per share				
Basic earnings per share (RMB cents)		**163.80**	51.36	219
Diluted earnings per share (RMB cents)		**163.19**	51.00	220
Final dividend per share (HK$)		**0.33**	0.22	50
Net asset value (NAV) per share (RMB)	(2)/(5)	**8.61**	8.00	8
At year end				
Equity attributable to equity holders of the Company (RMB'000)	(2)	**86,742,225**	80,508,824	8
Total assets (RMB'000)	(3)	**229,391,659**	192,597,681	19
Borrowings@ (including loan from a related company and bonds payable) (RMB'000)	(4)	**3,944,480**	6,103,053	(35)
Number of shares in issue	(5)	**10,075,001,783**	10,063,382,383	0
Share price during the year				
– High (HK$)		**16.44**	13.50	22
– Low (HK$)		**7.24**	7.53	(4)
Financial ratios				
Gearing ratio = (Borrowings@/Equity attributable to equity holders of the Company)	(4)/(2)	**4.5%**	7.6%	
Return on total assets	(1)/(3)	**7.3%**	2.8%	
Return on equity attributable to equity holders of the Company	(1)/(2)	**19.2%**	6.6%	

@: Borrowings comprise loans that are included in liabilities directly associated with assets classified as held for sale.

EDI-
TORIAL

CHAIRMAN'S STATEMENT

During the year, the Group continued to promote the development of electrification and intelligentization and achieved major breakthroughs, with total sales volume, the sales volume of new energy vehicles ("NEVs")* and export sales volume reaching record highs. The profit attributable to equity holders of the Company in 2024 increased by 213% from 2023 to RMB16.6 billion.

LI SHU FU, ERIC
Chairman

BUSINESS OVERVIEW

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

During the year, Geometry, the NEV series under the Group's Geely brand, was formally merged into Galaxy. Geely focused on developing Geely Galaxy as its core platform for NEVs, and introduced the all-new intelligent NEV architecture ("**GEA architecture**"). In the second half of the year, Geely Galaxy launched two BEVs, Galaxy E5 and Xingyuan, and a PHEV, Starship 7, based on the GEA architecture, all of which became best-selling products in the market. Geely Galaxy's annual sales

*: NEVs include battery electric vehicles ("**BEVs**") and plug-in hybrid electric vehicles ("**PHEVs**").

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

CHAIRMAN'S STATEMENT

volume reached 494,440 units, representing a YoY increase of 80%. ZEEKR, the Group's luxury NEV brand, continued to maintain rapid growth, with its products ZEEKR 001, ZEEKR 7X and ZEEKR 009 leading the luxury BEV market. ZEEKR delivered 222,123 units during the year, representing a YoY increase of 87%. LYNK & CO made significant strides towards electrification transformation. Its plug-in hybrid EM-P models maintained strong sales performance, and two BEVs were launched for the first time during the year. The total annual sales volume of Lynk&Co JV reached 285,441 units, representing a YoY increase of 30%, of which, NEV sales volume accounted for 58.8%. In 2024, the Group achieved total NEV sales volume of 888,235 units, representing a YoY increase of 92% and accounted for 41% of the Group's total sales volume, further consolidating the Group's leading position in Chinese NEV market.

FINANCIAL REVIEW

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

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

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

SUSTAINABILITY REVIEW

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

Meanwhile, the Group is also continuously advancing the implementation path of other ESG strategic directions to address the relevant ESG risks and seize opportunities so as to support the Group's global development. At the same time, we will promote the sustainable development of the upstream and downstream of the automotive value chain through closer

CHAIRMAN'S STATEMENT

collaboration with our business partners as a way to build a sustainable and resilient future for the automotive industry.

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

DIVIDENDS

Our board of directors recommended the payment of a final dividend of HK$0.33 (2023: HK$0.22) per share for 2024.

PROSPECTS

The year 2025 is filled with both hope and challenges. Looking back at 2024, the world underwent significant changes including geopolitical conflicts, regime changes, and setbacks in globalization. These unprecedented changes in a century have continued to deepen. Meanwhile, the global warming issue has become increasingly severe. To address this challenge, the Chinese government has unveiled the "3060 plan" of peaking carbon emissions by 2030 and reaching carbon neutrality by 2060. As a global enterprise, Geely must accurately grasp the situations, seize the opportunities to address the challenge.

In 2024, the Central Committee of the Communist Party of China and the State Council of the PRC issued the *Guidelines to Ramp Up Green Transition in All Areas of Economic and Social Development*, explicitly supporting the accelerated construction of battery swap stations and methanol refueling stations. This policy provides a critical basis for the intelligent electrification transformation of the automotive industry and the nation's green energy transition, marking a milestone in China's pursuit of energy independence and green development. We will seize this opportunity to develop green methanol, green economy, and methanol-hydrogen electric vehicles, thereby contributing to China's green energy transition and the comprehensive green transformation and upgrading of the automotive industry.

In 2024, Geely developed and mass-produced the Gold Brick Batteries and the Aegis short blade batteries, advancing battery safety technologies. The NordThor super hybrid powertrain made groundbreaking advancements. Geely also achieved major progress in fundamental technology R&D, fundamental modules and architectural research, providing fundamental guarantee for the development of vehicles. Geely's in-house developed low-orbit communication satellite constellation now provides 24-hour coverage of 90% regions of the world, comprehensively empowering the intelligent development of automotive industry.

In addition, we have established a joint venture, Horse Powertrain Limited, with Renault Group of France and Saudi Aramco. We continued to develop world-class ICE powertrains to provide efficient and energy-saving powertrain technologies and products to global users, and jointly expand our presence in the global market.

In 2024, Geely's management collectively formulated the "Taizhou Declaration" (台州宣言). This declaration outlined five strategies based on changes in the global landscape and actual industrial competition:

I. Strategic Focus: Geely will focus on its core automotive business, and resolutely advance its transformation towards electrification, intelligentization, connectivity and sharing. We will continue to strengthen our core competitiveness in the ICE vehicle market, build a technological advantage in low-carbon transportation ecosystem, and further solidify and enhance Geely's market position in the passenger vehicle industry, delivering an unparalleled intelligent mobility experience for our global users. Furthermore, we will continue to explore applications and operating models for new energy commercial vehicles, and actively deploy multiple technology pathways, including battery electric, methanol-hydrogen and extended-range, so as to create new growth drivers for Geely.

CHAIRMAN'S STATEMENT

II. Strategic Integration: Geely will conduct a comprehensive review of its various business segments, clarify business positioning, establish medium to long-term development objectives, adjust and optimize industrial layout and structure. We are committed to promoting deep integration and efficient synergy across our internal resources, further defining each brand's positioning, streamlining shareholding structures, so as to reduce conflicts of interest and duplicated investments, and improve resource utilisation.

III. Strategic Synergy: Centered on our core automotive business, we will strengthen synergy in technological ecosystem areas, such as integrated space-ground communication networks, software and hardware development, sharing of fundamental technologies and core components, and modular architecture upgrading. We will also foster closer collaboration among our various brands and business units to optimize resource sharing. Moreover, we will fully leverage the systematic advantages of our passenger vehicles to empower our commercial vehicle business, achieving a development pattern of simultaneous advancement of passenger and commercial vehicles.

IV. Strategic Robustness: We will adhere to prudent operations, avoid blind expansion, focus on meticulous execution and solidifying competitive position in the market. We will strengthen corporate governance to enhance operational efficiency. By collaborating with strategic partners, and leveraging large-scale specialized production capabilities and large-scale social collaboration, to create new advantages in the industrial chain, as a way to continuously improve capacity utilisation, and effectively reduce cost. Moreover, we will further enhance employee compensation and benefits, and strengthen their rights and interests, as a part of the move to contribute to common prosperity and development. We will abide by laws and regulations, maintain a customer-centered approach, and uphold the ethical standards to ensure the long-term sustainable development of the enterprise.

V. Strategic Talent: Geely always embraces the philosophy that "everyone is a talent, and everyone can become talented". We continue to foster an open, fair and equitable environment for talent development, guided by the principle of "deploying talented employees according to ability to maximize individual potential". We will actively explore open and collaborative industry-education partnerships to promote the deeper integration of industry and education. We will continuously refine our talent development systems to support the robust growth of endogenous talents, attract global talents who share our business vision, and cultivate a thriving talent ecosystem within Geely.

Geely will strictly implement the "Taizhou Declaration" to ensure the enterprise develops on the right track. We regard both upstream and downstream industrial chain partners and all Geely employees as integral members of a community with shared future and dedicated to serving users, and always take user satisfaction as our ultimate pursuit. We will not engage in simplistic price wars, but rather persistently pursue excellence in technology, quality, brand building, customer service, and corporate ethics. Opposing cutthroat competition, we steadfastly uphold core corporate values, and comprehensively implement ESG requirements. Rather than chasing short-term sales volume targets, we maintain a long-term vision and adhere to a philosophy of long-term development to deliver every user high-quality intelligent refined vehicles that allow consumers to buy with satisfaction and drive with peace of mind, and exceed their expectations. No matter how the world changes, we will never abandon this philosophy. Only by adhering to this philosophy can we advance toward an even more successful future.

Let us navigate through the present cycle, grow with resilience, move forward steadily, and join hands to embark on a bright journey in 2025!

Li Shu Fu, Eric
Chairman
20 March 2025

MANAGEMENT REPORT

PERFORMANCE & GOVERNANCE

OVERALL PERFORMANCE

According to the data from China Association of Automobile Manufacturers, China's total wholesale volume of passenger vehicles (including exports) reached 27.56 million units in 2024, representing a YoY increase of 5.8%. Domestic wholesale sales volume amounted to 22.61 million units, up by 3.1% YoY. Policy support for the automotive sector helped stimulate the domestic market amid a slowdown, sustaining the steady growth in demand. Driven by favorable policies, advances in electrification and intelligent technologies, and rising consumer acceptance, NEVs continued their rapid expansion. The domestic wholesale volume of new energy passenger vehicles reached 11.05 million units in 2024, with market penetration rising to 48.9%, representing a YoY increase of 12.9 percentage points. Notably, PHEVs saw accelerated growth, achieving domestic wholesale sales volume of 4.83 million units, up by 79.6% YoY. Furthermore, indigenous brands strengthened their market presence, capturing 61% of domestic passenger vehicle wholesale sales volume, representing a YoY increase of 9 percentage points. Meanwhile, amid intensifying domestic competition, to embrace the development opportunities in the international market, China's automotive industry has been accelerating its globalization efforts while encountering various forms of trade barriers. Export sales volume of Chinese passenger vehicles totaled 4.96 million units in 2024, representing a YoY increase of 19.7%.

In 2024, Geely Automobile Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") adhered to its strategic focus on electrification and intelligent transformation despite continuous evolution and intensifying market competition in the automotive industry. The Group made the following achievements and breakthroughs during the year, and thus recorded growth in both sales volume and profit:

- Comprehensively expansion on the product matrix of NEVs: lunched 9 new NEV models under the Geely Galaxy, ZEEKR and Lynk&Co brands, covering diverse market segments from mass-market to premium luxury;

- Application of advanced electrification and intelligent technologies on products: introduced the brand-new intelligent new energy vehicle architecture ("**GEA architecture**") and several advanced NEV technologies, including the Aegis short blade battery, 11-in-1 intelligent electric powertrain, and the NordThor EM-i plug-in hybrid powertrain. In terms of intelligentization, the intelligent cockpit system, Flyme Auto, was widely applied across Geely and Lynk&Co models, and ZEEKR's Haohan Intelligent Driving System rolled out its maples city NZP feature nationwide during the year, etc.;

- Optimization of the ICE vehicle product line: streamlined the product line and focused on popular products, integrated advanced intelligent cockpit system into facelifted products, to maintain the market leading position of ICE vehicles and strive for higher market share; and

- Acceleration of globalization: actively developed overseas markets with additional export models, initiated NEV exports under the Geely brand, and collaborated with local partners to establish localized factories.

PERFORMANCE & GOVERNANCE

Supported by these strategies and other measures, the Group's sales volume in 2024 exceeded its upwardly revised annual sales volume target of 2 million units in July 2024, setting a new historical record. Key performance highlights for the year include:

- Total sales volume was 2,176,567 units, representing a YoY increase of 32% (including the total sales volume# of "Lynk&Co" vehicles sold by the Group's 50%-owned Lynk&Co JV);
- The sales volume of NEVs was 888,235 units, representing a significant YoY increase of 92%, and accounted for 41% of total sales volume;
- The sales volume in the PRC market was 1,762,045 units, representing a YoY increase of 27%, with a market share of 7.8%, and ranking third among indigenous brands. Among which, the sales volume of NEVs in the PRC market was 849,922 units, accounting for 48% of the sales volume in the PRC market, which has exceeded the market penetration rate of 45% for new energy passenger vehicles in the PRC; and
- The sales volume in overseas markets was 414,522 units, representing a significant YoY increase of 57%, and accounted for 19.0% of the total sales volume, representing a YoY increase of 3.1 percentage points.

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

The sales volumes of ICE vehicles, PHEVs and BEVs in 2024 were 1,288,332 units, 308,747 units and 579,488 units, respectively, representing YoY increases of 9%, 104% and 86%, respectively, all of which were better than the respective average growths of the passenger car market in the PRC, and achieved the balanced development of NEVs and ICE vehicles.

As a result of the sales volume growth of Geely and ZEEKR brands of the Group, the total revenue (excluding the revenue of Lynk&Co JV) of the Group increased by 34% YoY to RMB240.2 billion in 2024. Under the fierce price competition in the market, the average selling price per vehicle increased by RMB3 thousand to RMB107 thousand YoY as a result of the optimization of product mix. Therefore, the growth of the total revenue of the Group increased more than the sales volume growth. During the year, the gross profit margin of the Group increased by 0.6 percentage point YoY to 15.9%, driven by the enhanced competitiveness of the relevant NEV products. This improvement resulted from the application of GEA architecture and the relevant new energy technologies, combined with economies of scale achieved through increased sales volume, optimized product mix and cost control.

The distribution and selling expenses of the Group in 2024 increased by 12% YoY to RMB13.3 billion, mainly used for the continuous development of distribution channels and marketing for the NEV brands and product lines of the Group. The growth in export business also led to an increase in related distribution and selling expenses. However, through strict expense control, the percentage of selling expenses to revenue decreased by 1 percentage point.

The American Depositary Share(s) ("**ADS(s)**") of ZEEKR Intelligent Technology Holding Limited ("**ZEEKR**"), a non wholly-owned subsidiary of the Company, officially commenced trading on the New York Stock Exchange during the year. The number of ZEEKR award shares that met the vesting conditions as of 31 December 2024 was 45,555,414. As a result, the share-based payments of the Group during the year increased by 170% YoY to RMB1.75 billion.

PERFORMANCE & GOVERNANCE

The business model of Lynk&Co JV in Europe is still being actively optimized. Although Lynk&Co JV still recorded a net loss of RMB1.628 billion during the year, its electrification transformation strategy in the PRC market has achieved phased results, resulting in increases in both the total sales volume and the proportion of NEV sales volume of the Lynk&Co JV. In addition, the Group contributed assets to Horse Powertrain Limited ("**Horse Powertrain**"), a joint venture company, during the year, and made a valuation adjustment for the partial disposal of Horse Powertrain, recording a one-off gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture, amounting to RMB9.1 billion. Horse Powertrain recorded a net profit of RMB1.149 billion for the year.

As at 31 December 2024, the Group optimized its brand strategy based on the latest market conditions and outlook. This led to a reassessment of the product portfolio of certain vehicle models. Certain models (specifically those that have become obsolete) showed signs of potential phase-out or impact on their future economic performance. Consequently, impairment losses for property, plant and equipment as well as intangible assets were recognised in relation to these models to reflect their respective recoverable amounts. As a result, the Group recorded an impairment loss on non-financial assets of RMB0.99 billion during the year.

The significant increase in taxation in 2024, amounting to approximately RMB1.6 billion, was primarily due to higher dividend payments from its PRC subsidiaries and increased profits driven by robust demand for certain vehicle models.

As a result of the above, the Group's profit attributable to equity holders of the Company in 2024 was RMB16.63 billion, representing a YoY increase of 213%. Diluted earnings per share was RMB1.63. Excluding the aforesaid one-off gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture, amounting to RMB9.1 billion, as well as the total impairment losses on non-financial assets of RMB0.99 billion, the profit attributable to equity holders of the Company in 2024 was RMB8.52 billion, representing a YoY increase of 52%.

FINANCIAL RESOURCES

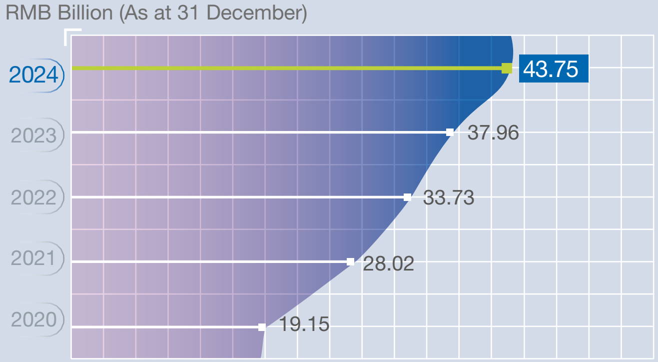
As at 31 December 2024, the Group's financial position remained stable, the cash reserve was sufficient, and the total cash level (including bank balances and cash as well as restricted bank deposits) was RMB43.75 billion, representing a stable growth from RMB37.96 billion as at the end of December 2023.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

In May 2024, ZEEKR successfully completed its initial public offering ("**ZEEKR IPO**") through the issuance of 24,150,000 ADSs, raising net proceeds of approximately US$480 million (equivalent to approximately RMB3.47 billion). Notably, the Group subscribed for and was allocated 12,900,952 ADSs by the underwriters in the ZEEKR IPO (equivalent to US$271 million or approximately RMB1.96 billion). In November 2024, the Company further acquired approximately 11.3% (on a fully-diluted basis) of the issued share capital of ZEEKR with a consideration of US$806 million (equivalent to approximately

RMB5.9 billion). During the year, the Group disposed of 3.3% equity interests in Horse Powertrain for a consideration of RMB1.63 billion, and redeemed senior perpetual capital securities with an aggregate principal amount of US$500 million (equivalent to RMB3.62 billion).

BANK BALANCES AND CASH[1]

RMB Billion (As at 31 December)



[1]: Including restricted and pledged bank deposits

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

– The Group's total borrowings (including loans of all kind) reduced by 35% to RMB3.94 billion as compared to 31 December 2023.

– The Group's net cash (total cash minus total borrowings and perpetual capital securities) amounted to RMB39.8 billion, representing an increase of 40% as compared to the net cash of RMB28.4 billion as at 31 December 2023.

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

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

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

Disposal of Equity Interests in Livan Associate

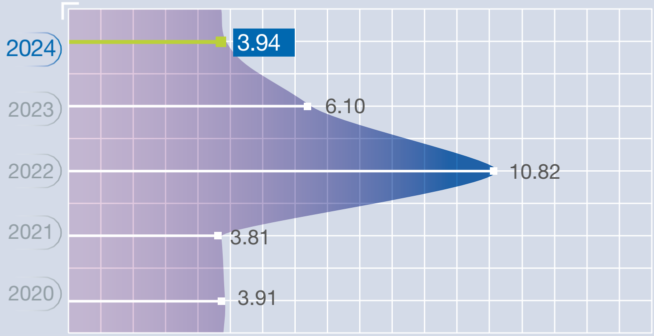
On 20 February 2024, Zhejiang Jirun Automobile Company Limited ("**Jirun Automobile**"), a subsidiary of the Group, entered into an equity transfer agreement with Zhejiang Geely Qizheng Automotive Technology Co., Ltd. ("**Geely Qizheng**") to sell Jirun Automobile's 45% equity interests in Chongqing Livan Automotive Technology Company Limited ("**Livan Associate**") to Geely Qizheng at a cash consideration of RMB504 million. Upon completion of the disposal, the Group no longer holds any equity interests in Livan Associate, and recorded a gain of approximately RMB117 million from the disposal.

Livan is committed to establishing an intelligent battery swapping ecology and providing competitive products and services for the market. It commenced battery swapping business in 2022. At the time when the disposal occurred, the battery swapping business of Livan Associate was still in its infancy, and it was expected that the main resources and continuous capital investment would be used to develop the intelligent battery swapping ecology and related infrastructure. The Group believes that the sales of battery swapping business and concentrating its resources on its own NEVs business can enhance the competitiveness of the Group. The transaction is valued using the market approach, which is based on the average adjusted enterprise value-to-sales ratio (EV/S) of the exhaustive list of comparable companies carrying on similar businesses, adjusted for the country risk, as well as the size and profitability of Livan Associate being valued. The net proceeds from the disposal contributed to the general working capital of the Group.

PERFORMANCE & GOVERNANCE

TOTAL BORROWINGS[2]

RMB Billion (As at 31 December)



[2]: Including loan from a related company, bank borrowings, and bonds payable.

Formation of Horse Powertrain and Disposal of its Partial Interests

On 11 July 2023, the Company, Zhejiang Geely Holding Group Company Limited ("**Geely Holding**") and Renault S.A.S. ("**Renault**") (collectively known as the "**Parties**") entered into a contribution agreement (the "**Contribution Agreement**") and a joint venture agreement, pursuant to which the Parties conditionally agreed to establish Horse Powertrain, a powertrain business joint venture. The Parties will contribute all issued shares of the respective entities engaging in powertrain business into Horse Powertrain, and have completed the capital contribution on 31 May 2024 and indirectly or directly hold 33%, 17% and 50% interest of Horse Powertrain, respectively.

Horse Powertrain integrated the Parties' businesses in internal combustion engine, hybrid, and plug-in hybrid engine and transmission, enabling the offering of a wide range of powertrain products and solutions to meet customer needs and comply with future regulations in different regions. In addition to supplying powertrain products to the Parties, Horse Powertrain will also achieve several areas of potential synergies including increasing top-line sales through external sales to third-party original equipment manufacturers.

On 28 June 2024, the Parties and Aramco Asia Singapore Pte. Ltd. ("**Aramco Asia Singapore**") entered into a sale and purchase agreement, pursuant to which the Parties has conditionally agreed to sell an aggregate of 10% of the shares of Horse Powertrain held directly or indirectly by the Parties to Aramco Asia Singapore (the "**Partial Disposal of Horse Powertrain**").

Aramco Asia Singapore's investment is expected to contribute to the development and deployment of affordable, efficient, and lower-carbon emission ICEs globally. Horse Powertrain will leverage the collective expertise of the Parties and Aramco Asia Singapore to support development in both engine and fuel technologies. With Aramco Asia Singapore's support and expertise in fuel technologies, Horse Powertrain is expected to secure its leadership in pioneering low-carbon fuel technology solutions, such as methanol and hydrogen.

After the completion of the contribution by the Group to Horse Powertrain on 31 May 2024, Aurobay Holding (SG) Pte. Ltd. ("**Aurobay Holding**") is no longer a subsidiary of the Group. In respect of the Group's reduced interest in Aurobay Holding and the valuation adjustment for the Partial Disposal of Horse Powertrain, it has recorded a gain on deemed disposal of subsidiaries on 31 May 2024 and an impairment loss on assets classified as held for sale on 28 June 2024, totaling RMB7.47 billion.

Pursuant to the Contribution Agreement, the Parties shall calculate the definitive contribution values based on the respective audited consolidated or combined accounts of their contributing all issued shares of the respective entities engaging in powertrain business as at the closing date. Furthermore, the Partial Disposal of Horse Powertrain was completed on 2 December 2024. Following the completion, Horse Powertrain is owned as to 10% by Aramco Asia Singapore, 29.7% indirectly owned by the Company, 15.3% indirectly owned by Geely Holding, and 45% by Renault. Further adjustments may be made by the Parties and Aramco Asia Singapore with reference to the final consideration pursuant to the sale and purchase agreement.

Based on the above definitive contribution value and the completion of the Partial Disposal of Horse Powertrain, the total amount of the gain on deemed disposal of subsidiaries and the impairment loss on assets classified as held for sale recorded by the Company was adjusted from RMB7.47 billion to RMB9.1 billion, reflecting a gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture.

ZEEKR IPO and Subscription

On 10 May 2024, ADSs of ZEEKR Intelligent Technology Holding Limited ("**ZEEKR**"), a non wholly-owned subsidiary of the Company, were offered on the New York Stock Exchange in the United States at an offering price of US$21, with each ADS of ZEEKR being equivalent to 10 ZEEKR shares. ZEEKR issued and sold 24,150,000 ADSs in total, and the Company subscribed for 12,900,952 ADSs of ZEEKR (the "**Subscription**") at the offering price of US$21 with a consideration of US$271 million (equivalent to approximately RMB1.96 billion). The Subscription allows the Company to increase its investment in ZEEKR during a market correction and strengthen the Company's controlling interest in ZEEKR, ensuring the continued influence of the Company over the operation of ZEEKR. After ZEEKR IPO and the Subscription, ZEEKR remains a non wholly-owned subsidiary of the Company. The Company has also given due regard to the interests of shareholders as required by Practice Note 15 to the Listing Rules and has therefore declared a special dividend to the shareholders in connection with the above spin-off (including a distribution in specie of ADSs of ZEEKR and cash dividends) of approximately HK$75 million (equivalent to approximately RMB70 million).

Acquisition of the Entire Equity Interest of Ningbo Passenger Vehicles

On 21 October 2024, Zhejiang Geely Passenger Vehicles Co., Ltd. ("**Zhejiang Passenger Vehicles**"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Geely Holding in relation to the acquisition of the entire equity interest of Ningbo Geely Passenger Vehicles Manufacturing Co., Ltd. ("**Ningbo Passenger Vehicles**"), for a cash consideration of RMB124 million. The acquisition would achieve effective resource integration, enhance the Group's strength in numerous core aspects such as technological strength, production equipment, quality management etc., so as to ensure the quality and safety of automobiles, increase the market's confidence in the Group's automobile brands in terms of quality and safety, and further expand the Group's reputation and influence. Meanwhile, the acquisition will achieve the integration of passenger vehicle manufacturing service resources, effectively reduce the amount of the current continuing connected transactions between the Group and the Geely Holding Group, and further enhance the independence of the Group from the Geely Holding Group.

Issuance of RMB2,000,000,000 Medium-Term Notes

On 1 August 2024, the Company issued the medium-term notes (the "**MTNs**") in the China Interbank Bond Market with an aggregate principal amount of RMB2 billion which will mature on 2 August 2027, unless terminated earlier pursuant to the terms thereof.

The MTNs are issued at par and without guarantee at an issue price of RMB100. A fixed rate of 2.18% per annum is determined by way of centralised book building. The total proceeds from the MTNs issuance will be invested domestically in China, to supplement the working capital of Jirun Automobile.

PERFORMANCE & GOVERNANCE

Increasing the Shareholding in ZEEKR

On 14 November 2024, Luckview Group Limited ("**Luckview**"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Geely International (Hong Kong) Limited ("**GIHK**") (an indirect wholly-owned subsidiary of Geely Holding), pursuant to which Luckview conditionally agreed to acquire approximately 11.3% (on a fully-diluted basis) of the issued share capital of ZEEKR held by GIHK (the "**ZEEKR Acquisition**"), for a consideration of US$806.1 million (equivalent to approximately RMB5.9 billion).

The ZEEKR Acquisition will simplify ZEEKR's shareholder structure and enhance the Group's influence over ZEEKR's strategic direction, thereby facilitating the Group's allocation of strategic resources and implementation of future plans. The ZEEKR Acquisition will also strengthen the Group's equity control over ZEEKR and help mitigate possible equity dilution in the future. As ZEEKR is a global premium electric mobility technology brand covering the high-end premium market, consolidating equity control over ZEEKR is of strategic significance for the Group. The ZEEKR Acquisition was completed as at the end of December 2024. As of 31 December 2024, the Company indirectly held approximately 62.81% (on a fully-diluted basis) interest of ZEEKR shares.

Acquisition of LYNK & CO Shares and Subscription of Increased Capital of LYNK & CO by ZEEKR

On 14 November 2024, Zhejiang ZEEKR Intelligent Technology Company Limited ("**Zhejiang ZEEKR**", an indirect wholly-owned subsidiary of ZEEKR), Geely Holding, Volvo Cars (China) Investment Co., Ltd. ("**VCI**") and Lynk&Co JV, entered into the LYNK & CO equity transfer agreement, pursuant to which Zhejiang ZEEKR conditionally agreed to purchase 20% and 30% of the equity interests in Lynk&Co JV from Geely Holding and VCI, for a consideration of RMB3.6 billion and RMB5.4 billion, respectively, together with interest accrued during the locked box period.

In addition, Lynk&Co JV, Zhejiang ZEEKR and Ningbo Geely Automobile Industry Company Limited ("**Ningbo Geely**", an indirect wholly-owned subsidiary of the Company) also entered into the LYNK & CO capital injection agreement, pursuant to which Zhejiang ZEEKR conditionally agreed to subscribe and purchase from Lynk&Co JV the increased registered capital of Lynk&Co JV for a consideration of approximately RMB367 million.

Acquisition of Lynk&Co JV by ZEEKR will achieve:

1) Strategic integration and overall synergy of the Group: the Group will continue to focus on the strategic integration and synergy of its automobile business and strengthen technology research and development to enhance competitiveness and promote sustainable development. The acquisition will facilitate the optimization of the Group's shareholding structure, eliminate horizontal competition, and promote the strategic integration of business operations; and

2) Efficient resource utilisation and synergy: through strategically integrating the resources of ZEEKR and Lynk&Co JV, the Group can reduce overlapping investment in various segments and strengthen the synergies in brands and products, technology, supply chain, marketing and service, and international market expansion, leveraging economies of scale to strive towards generating synergies in terms of sales volume, revenue and profit.

The aforementioned transactions were completed on 14 February 2025 and Lynk&Co JV is owned as to 49% by Ningbo Geely and 51% by Zhejiang ZEEKR. As a result, Lynk&Co JV became an indirect non wholly-owned subsidiary of the Company and ZEEKR. The financial results of Lynk&Co JV will be consolidated into the consolidated financial statements of the ZEEKR Group and the Group, respectively.

Redemption of US$500,000,000 Senior Perpetual Capital Securities

The Company has early redeemed all the outstanding securities with an aggregate principal amount of US$500,000,000 on 9 December 2024 (the "**Redemption Date**"). The redemption price was equal to 100% of the principal amount together with any distribution accrued to, but excluding, the Redemption Date.

The Company has paid the holders of the securities the redemption price on the Redemption Date and distribution on the securities has ceased to accrue on and after the Redemption Date. All securities have been cancelled and all the obligations of the Company in respect of the securities shall have been fully discharged, and such securities have been delisted on the Singapore Exchange Securities Trading Limited.

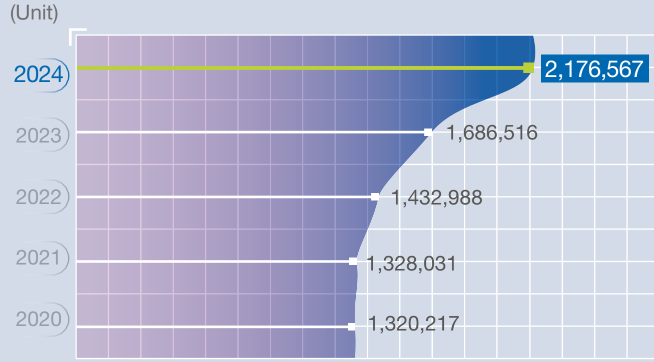
Signing of the Framework Agreement in Relation to Formation of a Joint Venture Engaging in the Intelligent Driving Business

On 2 March 2025, the Group, Maichi Zhixing (Chongqing) Technology Company Limited ("**Chongqing Maichi**"), a partnership to be set up by Chongqing Qianli Technology Company Limited and other partner ("**QL Partnership**"), Ningbo Lotus Robotics Company Limited ("**Lotus Robotics**") and the incentive platform designed for the employees of the joint venture company (together, the "**JV Parties**"), will conditionally agree to establish the joint venture company to engage in the intelligent driving business ("**Intelligent Driving JV**"), owned as to 30% by the Group, 30% by Chongqing Maichi, 30% by QL Partnership, 5% by Lotus Robotics and 5% by the incentive platform. The Group, Chongqing Maichi, partners of QL Partnership and Lotus Robotics have signed the JV Framework Agreement in this regard.

The aggregate contribution of the parties to the Intelligent Driving JV is RMB4.7515 billion, among which, the Group intends to make the capital contribution by way of certain intelligent driving-related technologies of RMB1.3 billion and RMB200 million in cash.

ANNUAL SALES VOLUME[3]

(Unit)



[3]: Including the sales volume of "Lynk&Co" brand vehicles.

The Group is dedicated to developing safe and convenient intelligent automotive products for users, with intelligent driving being one of its core R&D strategies. Leveraging its independent R&D efforts, the Group has accumulated related technologies in the field of intelligent driving. It has adopted an open cooperation approach by establishing the Intelligent Driving JV with partners to further enhance R&D capabilities in this field and accelerate the development of intelligent driving technologies.

The Intelligent Driving JV will integrate the strengths of all partners in intelligent driving technologies, R&D resources, funding, and industrial resources to achieve greater synergies, improve R&D efficiency, and reduce costs, thereby accelerating the formation of a leading industrial advantage in the intelligent driving field.

PERFORMANCE & GOVERNANCE

The Intelligent Driving JV will become an important partner for the Group in building an artificial intelligence ecology in the automotive industry and will provide advanced intelligent driving solutions for the Group's future products. Meanwhile, the Group will work closely with the Intelligent Driving JV to improve the intelligent driving system and applications of products, accelerate the iteration and upgrade of intelligent driving functions, enhance market competitiveness of future products, and deliver a safer and more convenient intelligent mobility experience to users.

INVESTMENT IN RESEARCH AND DEVELOPMENT AND NEW PRODUCTS

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

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

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

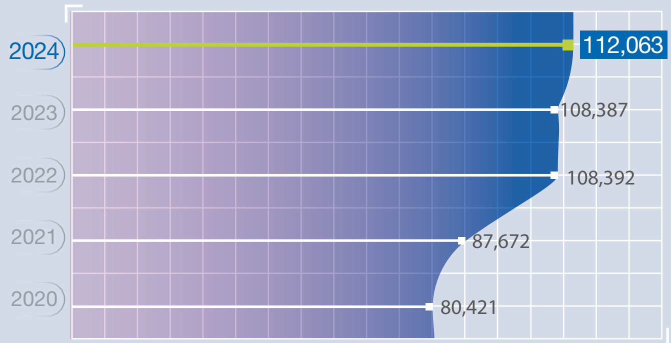
In 2024, the increase in capitalised product development costs of RMB10.6 billion, included in the intangible assets of the consolidated statement of financial position, was primarily related to intelligent NEV model development. The remaining was mainly for the development of intelligent technologies,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

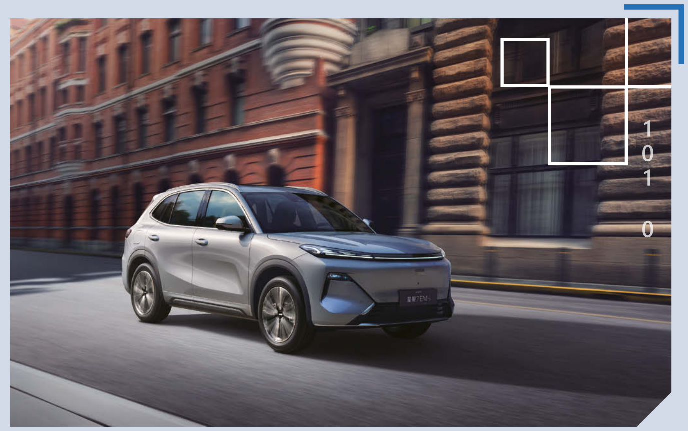
The Group launched nine brand-new NEV products in 2024, including: Galaxy E5, Xingyuan and Starship 7 under the Geely Galaxy brand; ZEEKR 009 Grand, ZEEKR 7X and ZEEKR Mix under the ZEEKR brand; and Lynk&Co 07 EM-P, Lynk&Co Z10 and Lynk&Co Z20 under the Lynk&Co brand.

PERFORMANCE & GOVERNANCE

AVERAGE PRE-TAX EX-FACTORY PRICES[4]

(RMB)





4: Including the sales volume of "Lynk&Co" brand vehicles.

Name	Interests	Annual Production Capacity Available (Units Per Double Shift)	Models
Chunxiao plant	99.0%	200,000	Geely Boyue, Geely Boyue L
Xiangtan plant	99.0%	300,000	Binyue, Binyue COOL, Xingyuan
Baoji plant	99.0%	200,000	Galaxy L7, Geely Boyue, Geely Boyue L
Linhai plant	99.0%	300,000	Galaxy L6, Emgrand L, Galaxy Starship 7
Jinzhong plant	99.0%	180,000	Geometry G6, Geometry M6, Emgrand EV
Qiantang plant	99.0%	100,000	Galaxy E8, Geometry E, ICON
Hangzhou Bay DMA plant	99.0%	150,000	Xingyue, Xingrui, Xingrui L
Guiyang plant	99.0%	200,000	Haoyue, Jiaji, Galaxy E5
Changxing plant	99.0%	180,000	New Emgrand, Binrui COOL, Smart #5^
Xi'an plant	99.0%	300,000	Xingyue L, Smart #1^, Smart #3^
Total		2,110,000	

^: Collaborative manufacturing models

PERFORMANCE & GOVERNANCE

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

The "Geely Galaxy" brand:

– Xingyao 8 (星耀8), a mid-to-large size plug-in hybrid sedan, developed under the GEA Evo platform

– 4 brand-new NEV products, including 2 SUVs and 2 sedans

The "ZEEKR" brand:

– ZEEKR 007 GT, a tech battery electric shooting brake, developed under the SEA platform

– ZEEKR 9X, a full-size super hybrid flagship SUV, developed under the SEA platform

– A mid-to-large size super hybrid SUV, developed under the SEA platform

The "Lynk&Co" brand:

– Lynk&Co 900, a flagship plug-in hybrid SUV, developed under the SPA Evo platform

– A mid-to-large size EM-P plug-in hybrid sedan

GEELY BRAND

The total sales volume of Geely brand in 2024 was 1,669,003 units, representing a YoY increase of 27%. The product series under the Geely brand include the China Star series for the mainstream ICE vehicle market, and the Geely Galaxy brand for the mainstream NEV market. As of 31 December 2024, Geely brand had 996 first-tier dealer stores for China Star series, and 952 first-tier dealer stores for Geely Galaxy brand, respectively. Meanwhile, Geely China Star series and Geely Galaxy brand are also sold through other distribution networks in the PRC. Geely brand exported products to 81 countries through 71 sales agents and 891 sales service outlets.

With competitive product performance and good market reputation of ICE vehicles in the China Star series, the Company streamlined its product lines thereunder and focused on popular models during the year, resulting in domestic sales volume growth in spite of the decline in China's ICE vehicles market. Geely brand ranked first in terms of sales volume of ICE passenger vehicles among indigenous brands in China in 2024 for eight consecutive years. In terms of export markets, ICE vehicles of Geely brand have also seen significant growth in export sales volume as more products were launched and more countries were expanded into. Therefore, the overall sales volume of ICE vehicles of Geely brand maintained growth in 2024. The Geely brand continuously and steadily contributed to the Group's profit by optimizing its product portfolio and structure so as to maintain good profitability of ICE vehicles despite the fierce price competition.

In order to promote the deep integration and efficient fusion of internal resources within the Group, in October 2024, the Group announced that the Geometry series would be merged into Galaxy, and Geometry would cease to exist as an independent brand. Geometry became a series of intelligent refined compact vehicles under Galaxy, and the existing dealer network of Geometry has also been merged into the dealer network of the Geely Galaxy brand. During the year, Geely Galaxy launched new products developed under GEA, the new intelligent new energy vehicle architecture: Galaxy E5, mainstream battery electric SUV, Xingyuan, compact battery electric sedan, and Starship 7, mainstream plug-in hybrid SUV, which are equipped with a number of brand-new and advanced new energy technologies, including Aegis short blade battery, CTB cell-to-body technology, 11-in-1 intelligent electric powertrain, NordThor EM-i plug-in hybrid system, etc. These products also come with Flyme Auto, the intelligent cockpit system. These new products have continued to be popular in their respective market segments since their launches due to excellent product performance, leading new energy and intelligent

PERFORMANCE & GOVERNANCE

technologies, competitive pricing and other factors. As a result, Geely Galaxy's sales volume in 2024 reached 494,440 units, representing a significant YoY increase of 80%. The Galaxy E5 is also the first global model of the Geely Galaxy brand, and the left- and right-hand drive models have been simultaneously developed to meet the needs of more different regions and countries around the world, leading the Geely brand to enter the global NEV market. Geely Galaxy will also export more NEV models to overseas markets.

ZEEKR

ZEEKR was incorporated in March 2021 as a non wholly-owned subsidiary of the Group. As of 31 December 2024, the Company indirectly held approximately 65.66% of ZEEKR shares. The ADSs of ZEEKR commenced trading on the New York Stock Exchange in the United States with stock code ZK on 10 May 2024. ZEEKR is devoted to the research and development, purchase and sales of intelligent electric vehicles and other electric mobility related products, as well as the provision of service relating thereto.

In 2024, ZEEKR delivered 222,123 BEVs in total, representing a significant YoY increase of 87%. This was mainly due to the addition of the battery electric luxury sedan, ZEEKR 007, launched in the second half of last year to the product matrix. Besides, the luxury shooting brake coupe-ZEEKR 001 and luxury pure electric MPV ZEEKR 009 continued to remain very popular, and ZEEKR 7X, a mid-to-large size luxury battery electric SUV launched during the year, became popular in its market segments since its launch. All of these resulted in a significant increase in annual sales volume.

The revenue from ZEEKR during the year was RMB75.8 billion, representing a YoY increase of 47%, mainly due to the significant increase in sales volume while being affected by the decrease in the average selling price per vehicle caused by the change in product mix and pricing strategy. Expanded sales volume scale and effective cost control contributed to the YoY growth in the gross profit margin of vehicle sales business, even under intense price competition. The gross profit margin of the non-vehicle sales business also improved, further contributing to the YoY growth in the overall gross profit margin.

The increase in ZEEKR's research and development spending to support the R&D of new products and intelligent technologies, as well as the expansion of its direct sales channels, led to increases in both R&D expenses and distribution and selling expenses. Further details of ZEEKR's financial performance in 2024 were set out in the Company's overseas regulatory announcement dated 20 March 2025.

As of 31 December 2024, ZEEKR adhered to providing users with full life-cycle services and inputs, and continued to improve the whole ecosystem construction. As of 31 December 2024, ZEEKR has operated 538 stores globally, with 467 of them located in China and 71 of them in over 40 countries/regions.

Due to the ZEEKR IPO, the number of ZEEKR award shares that met the vesting conditions as of 31 December 2024 was 45,555,414. As a result, ZEEKR recorded share-based payments of RMB1.06 billion during the year. In 2024, ZEEKR recorded a net loss of RMB0.85 billion; and excluding the aforesaid share-based payments, its net profit was RMB0.21 billion.

LYNK&CO JV

Lynk&Co JV, the Group's 50%-owned joint venture with Volvo Car Corporation and Geely Holding, was incorporated in October 2017 to facilitate the development, manufacture, sales and servicing of high-end passenger vehicles in both the China and international markets under the "Lynk&Co" brand. Positioned as a global brand with the state-of-the-art design and manufacturing capabilities, Lynk&Co JV aims to target at the premium mobility market segment globally through the provision of both passenger vehicles and mobility services. In 2024, the sales volume of Lynk&Co JV reached 285,441 units, representing a YoY increase of 30%. Lynk&Co JV has been

PERFORMANCE & GOVERNANCE

committed to promoting its NEV strategy in recent years. The Lynk&Co 08 EM-P launched in the second half of last year and the Lynk&Co 07 EM-P launched during the year are both PHEVs based on the design language of The Next Day concept car and equipped with the LYNK Flyme Auto intelligent cockpit, and have become the key products of the Lynk&Co brand since their debut. Lynk&Co brand also launched its first BEV products during the year, namely Lynk&Co Z10, a mid-to-large size battery electric flagship sedan, and Lynk&Co Z20, a compact battery electric SUV. Therefore, the sales volume of Lynk&Co NEVs increased by 163% YoY to 168,000 units, and NEV sales volume proportion increased to 58.8%. Lynk&Co JV serves its customers in China through 370 "Lynk&Co Centres", 36 new energy centres and 252 new energy retail centres.

In terms of exports, Lynk&Co JV has operated in many developed countries in Europe, including the Netherlands, France, Italy, Germany, Sweden, Belgium and Spain. During the year, Lynk&Co JV actively optimized its business model in Europe and worked with Volvo Car Corporation to explore the development of its dealers' network in Europe while reducing the scale of its original subscription[##] model. During the year, 21 dealers outlets were newly established in Europe. As of 31 December 2024, Lynk&Co JV has 10 Clubs and 21 dealers sale outlets in operation in Europe, and the number of subscriptions in Europe was 19,000 units, a decrease of 10,000 units compared to that as at 31 December 2023. In addition to the European market, Lynk&Co JV actively developed its sales business in the Asia-Pacific region and the Middle East. As of 31 December 2024, there are 44 dealers outlets in operation in Asia-Pacific region and the Middle East selling products to 15 countries/regions.

##: *Subscription means that consumers use vehicles and ancillary services during the subscription service period through regular payments of vehicle subscription fees, including vehicle insurance, daily maintenance, data services, road assistance, etc. Normally, Lynk&Co JV recognises the revenue and corresponding profit or loss over time as subscription consumers receive and consume the economic benefits provided for the vehicles during the subscription service period.*

As a result of the overall growth in sales volume, the revenue of Lynk&Co JV increased by 33% YoY to RMB46.17 billion, but the optimization and transformation of its business in Europe was still underway during the year, resulting in a net loss of RMB1.628 billion recorded by Lynk&Co JV. In November 2024, ZEEKR and Lynk&Co declared to conduct strategic integration which was completed on 14 February 2025. Through strategically integrating the resources of ZEEKR and Lynk&Co, the Group can reduce overlapping investment in various segments and strengthen the synergies in brands and products, technology, supply chain, marketing and service, and international market expansion, leveraging economies of scale to strive towards generating synergies in terms of sales volume, revenue and profit. This will help Lynk&Co JV improve its future profitability.

GENIUS AFC

Genius Auto Finance Company Limited ("**Genius AFC**") is a vehicle financing joint venture held by the Company, BNP Paribas Personal Finance, a wholly-owned subsidiary of BNP Paribas group, and Cofiplan S.A., among which the Company holds 75% of the shares. Genius AFC principally provides auto wholesale financing solutions and retail financing solutions, mainly supporting brands including "Geely", "ZEEKR", "Lynk&Co" and "smart". Benefiting from the sales growth driven by the NEV strategy of the vehicle brands served, the vehicle financing business of Genius AFC further recorded a robust growth of 607,000 vehicle loan contracts in 2024, representing a YoY increase of 2.1%, of which, multi-brand business and NEV business increased notably, and the number of new contracts reached 92,000 and 210,000, respectively, representing a YoY increase of 29.3% and 54.3%, respectively. Genius AFC continued to diversify its funding sources. During the year, Genius AFC issued four asset-backed securities ("**ABS**") transactions with a total amount of RMB18.86 billion to sustainably support its business growth. In March 2024, Genius AFC completed the full drawdowns from the sustainability-linked loan ("**SLL**") cross-border club deal, involving five offshore banks with a total amount of RMB1.2 billion. In addition, Genius AFC successfully issued two tranches of financial bonds during the year, with a total financing size of RMB3 billion. Its total loan assets reached RMB54.8 billion as of 31 December 2024. During the year, Genius AFC was also awarded the Genius AFC 2023 Carbon Neutral Certificate by the Shanghai Environmental Energy Exchange, marking Genius AFC's achievement of its zero-carbon operation target. Competition in the auto finance industry is also fierce, and as a result, Genius AFC increased marketing expenses. In 2024, its net profit was RMB1.07 billion, representing a YoY decrease of 12%.

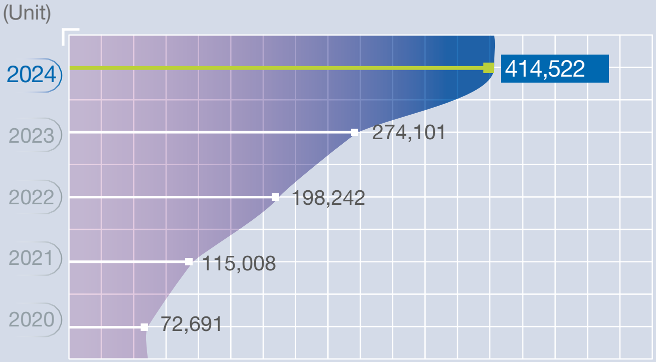
EXPORTS

In 2024, the Group's export sales volume reached 414,522 units, representing a YoY increase of 57%, accounting for 19.0% of the Group's total sales volume. The Geely brand has been making a comprehensive deployment in the Southeast Asia, Middle East, Eastern Europe and Central Africa markets, while also tapping into the potential markets in Mexico and Central Asia, and speeding up the expansion of emerging markets such as Vietnam, Australia, New Zealand, Indonesia, etc. As of 31 December 2024, the Geely brand had 891 sales and service outlets in 81 countries around the world and more than 358 sales service outlets were opened during the year, and established four subsidiaries in Indonesia, Australia, the Philippines and Chile during the year to expand the global market continuously. The Group also actively explores cooperation with local partners in different markets. As of 31 December 2024, the Group has set up a total of four local assembly plants in Nigeria, Ghana, Cambodia and Egypt, and planed to further expand into more countries. To improve the global spare parts supply network and enhance the efficiency of regional parts supply, one central warehouse and five overseas warehouses were established during the year. Meanwhile, in order to expand the product matrix for export, the Geely brand has built its export model of GEELY EX5 based on Galaxy E5, which will be launched in a number of overseas markets. As of 31 December 2024, ZEEKR has entered more than 40 major international markets, including Sweden, the Netherlands, the United Arab Emirates, Mexico, etc. During the year, ZEEKR also launched right-hand drive models of the ZEEKR 009 and ZEEKR X in right-hand drive markets including Thailand, Malaysia, Indonesia, etc. Lynk&Co JV adheres to its Europe strategy as well as Asia-Pacific and Middle East strategy. As of 31 December 2024, it has opened 10 Clubs in 7 countries in Europe and established 21 dealership outlets and put into operation through collaboration with Volvo Car Corporation, and has also opened 44 sales outlets through dealers in other 15 countries/regions in Asia-Pacific and Middle East to provide customers with a variety of models, including Lynk&Co 01, Lynk&Co 02, Lynk&Co 03, Lynk&Co 05, Lynk&Co 06, and Lynk&Co 09. At the same time, Lynk&Co JV also exported Lynk&Co 02 (known as Lynk&Co Z20 in China), a compact battery electric SUV to Europe during the year to put into place its electrification transformation in the global market.

The Group has also broadened its global export market presence through the brand cooperation model with its associates. The Group maintains a good strategic cooperation with PROTON, and through the export of platforms and technologies, assisted PROTON to launch new vehicle models, including its first BEV e.MAS 7 launched during the year, to further increase its sales volume and share in the right-hand drive market in Southeast Asia. During the year, the cumulative sales volume of PROTON reached 152,614 units. The Group's share of profit of PROTON amounted to RMB95 million. The Group also deepened its cooperation with another associate, Renault Korea, to form synergies in technology research and development and supply chain, with a view to expanding its export sales volume both locally and in developed countries. The sales volume of Renault Korea reached 106,939 units in 2024. During the year, capitalizing on its technology synergy with the Group, Renault Korea developed and launched its new SUV product, the Grand Koleos, which has enjoyed clear success since its launch in the Korean market in September 2024, resulting in its cumulative sales volume amounted to 22,000 units. The Group's share of Renault Korea's profit amounted to RMB121 million.

PERFORMANCE & GOVERNANCE

EXPORT SALES VOLUME
(Unit)



OUTLOOK

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

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

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

The Group will continue to innovate with technology as its core foundation. On one hand, the Group will persistently advance existing technologies such as vehicle architectures, electronic and electrical architectures, super hybrid, battery, etc. On the other hand, the Group announced the "Smart Geely 2025" strategy in November 2021, taking the lead in the strategy of building a comprehensive intelligent ecosystem in order to realize the full-stack self-development of core technologies of intelligent vehicles. The Group has cooperated with ecological partners to complete its comprehensive AI application, including: the Xingrui Intelligent Computing Centre 2.0 with industry-leading computing capabilities of 23.5 EFLOPS (10^{18} times of floating-point operations per second), and the "Geely Xingrui AI Large Model" (吉利星睿AI大模型), the first full-stack self-developed vertical large model covering all scenarios, which is also the only automotive large model rated at the level of 4+ certified by China Academy of Information and Communications Technology, AI Drive intelligent driving large model, multimodal models including the Step-1V video model, the Step-2 language model, generalizable world model (泛世界模型), etc. In terms of intelligent driving data, the Group recorded more than 7.5 million vehicles equipped with L2 or L2+ level intelligent driving technologies, with a cumulative actual driving distance of approximately ten billion kilometers.

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

PERFORMANCE & GOVERNANCE

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

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

CAPITAL STRUCTURE AND TREASURY POLICIES

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

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

EXPOSURE TO FOREIGN EXCHANGE RISK

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

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

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

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

PERFORMANCE & GOVERNANCE

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

As a result, the Group's total cash level (bank balances and cash plus restricted bank deposits) increased by 15% year-on-year to RMB43.8 billion at the end of 2024. The Group's total borrowings (including bank borrowings, loan from a related company, and bonds payable) decreased by 35% to RMB3.9 billion. Overall, there was a decrease in the current ratio at the end of year 2024 compared to the previous year.

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

EMPLOYEES' REMUNERATION POLICY

As at 31 December 2024, the Group employed approximately 64,000 people (compared to 60,000 as at 31 December 2023). Employees' remuneration packages are based on individual experience and job profile. These packages are reviewed annually by management, taking into account the overall performance of the staff and market conditions. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and the state-managed retirement benefit scheme in the PRC. In addition, employees are eligible for share options under the share option scheme and share awards under the share award scheme adopted by the Company.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

EXECUTIVE DIRECTORS

Mr. Li Shu Fu, aged 61, joined the Company and its subsidiaries (collectively the "**Group**") on 9 June 2005 as the Chairman (the "**Chairman**") of the board of directors of the Company (the "**Board**") and Executive Director, and is responsible for the overall strategic planning, Board leadership, corporate governance and formulation of the corporate policies of the Group. Mr. Li holds a Master's Degree in Engineering from Yan Shan University. Currently, Mr. Li is the controlling shareholder, founder, chairman of the board of directors of Zhejiang Geely Holding Group Company Limited ("**Geely Holding**") (a company incorporated in the PRC, and is ultimately owned by Mr. Li and his associate, a substantial shareholder of the Company). Geely Holding and its subsidiaries are principally engaged in the sales of automobiles and related parts and components wholesale and retail business. Mr. Li also serves as the chairperson of the board of Volvo Car AB (Stock Code of Stockholm Stock Exchange: VOLCAR B), and the chairman of the board of ZEEKR Intelligent Technology Holding Limited ("**ZEEKR**") (Stock Code of New York Stock Exchange: ZK). Mr. Li has extensive experience in the investment and management of the automobile manufacturing business in the PRC. Mr. Li was accredited as one of the "50 Most Influential Persons in China's Automotive Industry in the 50 Years" by China Automotive News (中國汽車報).

Mr. Li Dong Hui, Daniel, aged 55, joined the Group on 15 July 2016 as an Executive Director and the Vice Chairman of the Board. Mr. Li has been an executive vice president and the Chief Financial Officer ("**CFO**") of Geely Holding since June 2016, and he was appointed as Chief Executive Officer ("**CEO**") of Geely Holding in November 2020. He also serves as a board member of Geely Holding, a member of the board of directors of Volvo Car AB (Stock Code of Stockholm Stock Exchange: VOLCAR B), a director of Polestar Automotive Holding UK PLC (Stock Code of NASDAQ: PSNY), chairman of the board of Lotus Technology Inc. (Stock Code of NASDAQ: LOT), a non-executive director of Aston Martin Lagonda Global Holdings plc (Stock Code of London Stock Exchange: AML), and a director of ZEEKR (Stock Code of New York Stock Exchange: ZK). Mr. Li is also a director of certain subsidiaries of the Group. He is responsible for the coordination of the Board, strategic development and financial system of the Group. Mr. Li was a vice president and CFO of Geely Holding from April 2011 to March 2014, and an Executive Director of the Company from May 2011 to March 2014. Mr. Li has extensive professional and senior managerial experiences with both the PRC and sino-foreign multinational companies, particularly in the fields of accounting and financial management, financing structure, strategic planning and business development. Prior to joining Geely Holding, he held key accounting, financing and corporate management positions as vice president, CFO, general manager and business development director in the PRC companies including Guangxi Liugong Machinery Company Ltd. (2010), and sino-foreign multinational companies; his last position was the vice chairman and the president (finance) of 北京東方園林環境股份有限公司 (Beijing Orient Landscape & Environment Co., Ltd.) (Stock Code of Shenzhen Stock Exchange: 002310) (2014-2016). Mr. Li graduated from the Kelley School of Business of Indiana University in the United States with a Master's Degree in Business Administration in 2010 and graduated from Beijing Institute of Machinery Industry in the PRC with a Master's Degree in Management Engineering with a major in Financial Management in 1997. Also, Mr. Li graduated from Renmin University of China with a Bachelor's Degree in Philosophy in 1991. He is currently the independent non-executive director of YTO International Express and Supply Chain Technology Limited (Stock Code of Hong Kong Stock Exchange ("**HKEx**"): 6123).

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Gui Sheng Yue, aged 61, joined the Group on 9 June 2005 as an Executive Director and is responsible for the overall administration, risk management and compliance of the Group. Mr. Gui was appointed as the CEO of the Company with effect from 23 February 2006, and also serves as a director of ZEEKR (Stock Code of New York Stock Exchange: ZK). Mr. Gui was also the chairman of a former wholly-owned subsidiary of the Company. Mr. Gui has over 38 years of experience in administration and project management. Mr. Gui had also worked with China Resources (Holdings) Company Limited. Mr. Gui holds a Bachelor of Science Degree in Mechanical Engineering from Xi'an Jiaotong University and a Master's Degree in Business Administration from University of San Francisco.

Ms. Wei Mei, aged 56, joined the Group on 17 January 2011 as an Executive Director. Ms. Wei has been a vice president of Geely Holding since June 2009, and is currently a senior vice president and chief operating officer of Geely Holding, being responsible for the operation management, digitalization, and information technology related works of Geely Holding. Ms. Wei holds a Doctoral Degree in Management from Northwest A&F University, a Master's Degree in Management and a Bachelor's Degree in Science from Ocean University of China. From 2003 to 2007, Ms. Wei was the group human resources director of Beiqi Foton Motor Co., Ltd. ("**Foton Motor**") and focused on Foton Motor's human resources management, control and training. Prior to that, Ms. Wei worked in the group of Qingdao Haier Co., Ltd. ("**Qingdao Haier**") from 1991 to 2002 and served a number of positions in the department of integration and dishwashers business unit of Qingdao Haier Refrigerator Co., Ltd., participating in the development, diversification and globalization of Qingdao Haier. Ms. Wei was in charge of organizational management, operation appraisal, quality system management and human resources and was also directing the operation management of Haier dishwashers and other small appliances.

Mr. Gan Jia Yue, aged 44, joined the Group on 25 July 2022 as an Executive Director. He has been the CEO of Geely Automobile Group Company Limited ("**Geely Automobile Group**") (a company incorporated in the PRC and is ultimately owned by Mr. Li Shu Fu, a substantial shareholder of the Company and his associate) since 23 March 2021. He is currently responsible for the operation management of Geely Automobile Group. Mr. Gan joined Geely Holding in February 2003. He has previously served as member of the management committee, senior director of management and head of group finance department of Geely Automobile Group, and has been the vice president of Geely Automobile Group since 11 June 2020 and was responsible for the procurement duties of Geely Automobile Group. As a core member of the product strategy committee, the investment committee, the procurement committee and the quality committee of Geely Automobile Group, Mr. Gan participated in critical strategic and business decisions, and made extraordinary contribution in enhancing finance management, operation optimisation, organizational transformation and supplier chain construction of Geely Automobile Group. He also serves as director of certain subsidiaries of the Group. Mr. Gan has extensive financial knowledge and practical experience in corporate governance. Mr. Gan graduated from Zhengzhou University of Aeronautics with a Bachelor's Degree in Management in 2003.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Mao Jian Ming, Moosa, aged 43, joined the Group on 12 July 2024 as an Executive Director. Mr. Mao has extensive experience in overseas asset investment, mergers and acquisitions, and board governance. Mr. Mao served as the managing director and board secretary of CMB International Finance Limited from 2020 to 2024. He was the deputy general manager of the investment and development department and the assistant general manager of the strategy and operation management department at China Merchants Holdings (International) Company Limited (later known as "China Merchants Port Holdings Company Limited", Stock Code of HKEx: 144), and the deputy general manager of the integrated development department and chief representative for the Middle East and East Africa at China Merchants Port Group Co., Ltd. (Stock Code of Shenzhen Stock Exchange: 001872) from 2011 to 2020. Mr. Mao graduated from Wuhan University with a Doctorate Degree in international law. He is also a professional member of the Institute of Management Accountants (IMA) and holds the Certified Management Accountant (CMA) designation in the United States. Furthermore, he is a founding member of the China Independent Non-executive Directors Association.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. An Qing Heng, aged 80, joined the Group as an Independent Non-executive Director on 17 April 2014. Mr. An has extensive professional and management experience in the automotive industry, particularly in the fields of automotive engineering and manufacturing. Since his graduation from the Faculty of Agricultural Machinery (currently known as the Faculty of Automotive Engineering) of Tsinghua University with a professional qualification in automotive tractors and engines in 1968, he had worked with Beijing Gear Works Factory (北京齒輪總廠), Beijing United Automobile and Motorcycle Manufacturing Company (北京汽車摩托車聯合製造公司) and Beijing Automotive Industry Company (北京汽車工業總公司) in various important positions as vice factory director, chief engineer and general manager. He then served as the chairman and the Communist Party Committee Secretary (黨委書記) of Beijing Automotive Industry Holding Company Limited (北京汽車工業控股有限責任公司); and was once concurrently the chairman of Beiqi Foton Motor Company Limited (北汽福田汽車股份有限公司), Beijing Jeep Corporation (北京吉普汽車有限公司) and Beijing Benz Automotive Company Limited (北京奔馳汽車有限公司). Mr. An has been a member of Beijing Political Consultative Conference (北京市政治協商委員會) (the 8th and 10th sessions), a representative of Beijing Municipal People's Congress (北京市人民代表大會) (the 11th session), and a member of the Standing Committee of Beijing Association for Science and Technology (北京市科學技術協會常委會) (the 4th, 5th, 6th and 7th sessions). Mr. An is currently the director of the Advisory Committee of China Automotive Industry (中國汽車工業諮詢委員會). Mr. An has also obtained the qualification of Senior Engineering (Professor Level) accredited by the Senior Vocational Title Inspecting Committee of Beijing Municipality (北京市高級專業技術職務評審委員會). Mr. An was the independent director of Yechiu Metal Recycling (China) Limited (Stock Code of Shanghai Stock Exchange: 601388), Liaoning SG Automotive Group Co., Ltd. (Stock Code of Shanghai Stock Exchange: 600303) and Feilong Auto Components Co., Ltd. (formerly known as Henan Province Xixia Automobile Water Pump Co., Ltd., Stock Code of Shenzhen Stock Exchange: 002536).

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Wang Yang, aged 50, joined the Group as a Non-executive Director on 15 September 2010 and was then re-designated to an Independent Non-executive Director of the Company with effect from 17 May 2012. Mr. Wang is currently a partner of Primavera Capital Group, and the independent director of Yum China Holdings, Inc. (Stock Code of HKEx: 9987) and the director of Sunlands Technology Group (Stock Code of New York Stock Exchange: STG). Mr. Wang holds a Bachelor of Engineering dual-degree in Management Engineering and Computer Science and a Master of Science Degree in Management Science and Engineering from Shanghai Jiao Tong University. Mr. Wang used to work in Goldman Sachs ("**Goldman Sachs**") principal investment area as a managing director. From 2006 to 2010, working in Goldman Sachs, he focused on private equity investments in the PRC. During the period, he led the Goldman Sachs' US$245 million convertible bond investment transaction in the Company. Prior to that, Mr. Wang worked in China International Capital Corporation Limited ("**CICC**") investment banking division as a vice president from 2002 to 2006, focusing on China-based companies' initial public offerings and restructurings. Mr. Wang served major state-owned enterprises in various sectors during this period. Prior to joining CICC's investment banking division, Mr. Wang worked in CICC's private equity group from 2000 to 2001.

Ms. Gao Jie, aged 50, joined the Group as an Independent Non-executive Director on 1 November 2021. Ms. Gao has extensive global accounting and management experience. Ms. Gao is currently the CFO of Lightspeed China Partners (Funds III and IV, Selected Fund I and RMB Fund I), and the partner and CFO of Soul Capital. Prior to that, she held key finance positions (as a finance director of McKinsey Greater China office from 2010 to 2019; as a financial controller of McKinsey China office from 2005 to 2010; and as a project manager of global Enterprise Resources Planning (ERP) system of McKinsey & Company from 2000 to 2005) within McKinsey & Company. Ms. Gao graduated with a Bachelor's Degree from the School of Business of Sun Yat-Sen University in 1996, a Master of Business Administration Degree in accounting from the Saunders College of Business of Rochester Institute of Technology in 1998, and a Master of Science Degree in Information Systems from the Stern School of Business of New York University in 2000. Ms. Gao is a designation holder of Chartered Global Management Accountant (CGMA), a fellow of the Chartered Institute of Management Accountants (FCMA) and a member of American Institute of Certified Public Accountants (USCPA). She is also a council member of the US Chapter of Shanghai Overseas Returned Scholars Association and the advisor of the New York University Shanghai Alumni Group.

Ms. Yu Li Ping, Jennifer, aged 61, joined the Group as an Independent Non-executive Director on 9 October 2023. Ms. Yu currently serves as the chairwoman and founding partner of Auster Capital Partners Limited (co-founded by Rothschild & Co and Ms. Yu). Over the past three decades, Ms. Yu has also held senior management roles in other international financial institutions, including United Overseas Bank, BNP Paribas, and Rothschild & Co. Previously, she served as a global executive committee member and global partner of Rothschild & Co, as well as the chairwoman of Rothschild & Co in Greater China. Ms. Yu has played a leading role in various landmark cross-border mergers and acquisitions for Chinese corporates during her time at Rothschild & Co, including Geely Holding's acquisition of Volvo Cars, which has made a significant contribution to the success of Chinese corporates' globalization strategy in the international market. Ms. Yu is also a Trustee of Shanghai University of Finance and Economics ("**SHUFE**"). Ms. Yu graduated from SHUFE with a Bachelor's Degree in Finance in 1987 and received a Master's Degree in Business Administration from SHUFE in 1999.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Zhu Han Song, aged 55, joined the Group as an Independent Non-executive Director on 9 October 2023. Mr. Zhu is currently the founder and chairman of Seekers Capital (Jiangyin) Co., Ltd. Mr. Zhu worked for Goldman Sachs from June 2000 to December 2019, holding various positions including associate, executive director, managing director, and partner. Before retiring from Goldman Sachs in December 2019, Mr. Zhu served as the Co-head of China Investment Banking, the Head of Industrial and Natural Resources Group in Asia Ex-Japan, and the CEO of Goldman Sachs Gao Hua Securities Company Limited. He was also a member of the Asia Pacific Commitments Committee and Investment Banking Division Client and Business Standards Committee of Goldman Sachs. Prior to joining Goldman Sachs, he worked at CICC from 1995 to 2000. Mr. Zhu served as an independent director of Kidswant Children Products Co., Ltd. (Stock Code of Shenzhen Stock Exchange: 301078) and Missfresh Limited. Currently, he serves as an independent non-executive director of KE Holdings Inc. (Stock Code of HKEx: 2423 and Stock Code of New York Stock Exchange: BEKE). Mr. Zhu obtained a Bachelor's Degree in Economics from Nanjing University in 1991, and a Master's Degree in Economics from Peking University in 1994.

Ms. Tseng Chin I, aged 56, joined the Group as an Independent Non-executive Director on 24 March 2025. Ms. Tseng currently serves as a host/producer of "Financial Journal" at Phoenix TV. She is also a member of the 14th National Committee of the Chinese People's Political Consultative Conference, a standing committee member of Hong Kong Federation of Journalists, the founding vice president of the Great Bay Area ("**GBA**") Carbon Neutrality Association, an honorary advisor to the GBA Association of Listed Companies, an honorary advisor to the Hong Kong Science & Technology Youth Federation, an honorary advisor to Hong Kong Web 3.0 Association, the president of BC Philanthropic Foundation, and a partner of BC Capital Group. Ms. Tseng was also an independent non-executive director of Sprocomm Intelligence Limited (HKEx Stock Code: 1401). Ms. Tseng graduated from Fu Jen Catholic University (天主教輔仁大學) with a Bachelor's Degree in Mass Communication in 1991.

SENIOR MANAGEMENT

Mr. Dai Yong, aged 43, joined Geely in 2018 and currently the CFO of Geely Automobile Group. He has served as the general manager of the Strategic Finance Management Centre and the Strategic Investment Management Centre in Geely Holding, the senior director of the operation management in ZEEKR, deputy CFO and the general manager of the Financial Centre of Geely Automobile Group. Prior to joining Geely, Mr. Dai worked at KPMG and Qingdao Haier in audit and financial management. Mr. Dai obtained a Master's Degree in Management from Dongbei University of Finance and Economics in 2007 and is also a certified public accountant in the PRC.

Mr. Cheung Chung Yan, David, aged 49, joined the Group as the Financial Controller and Company Secretary on 17 May 2005. Mr. Cheung is a director of two subsidiaries of the Group. He was an independent non-executive director of Ourgame International Holdings Limited (Stock Code of HKEx: 6899). Mr. Cheung holds a Bachelor's Degree in Business Administration in Accounting from The Hong Kong University of Science and Technology. He is a fellow member of the Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Directors. Mr. Cheung has over 27 years of experience in auditing, accounting and financial management.

DIRECTORS AND SENIOR MANAGEMENT PROFILES

Mr. Poon Chi Kit, aged 45, joined the Group on 1 July 2011. He was appointed as the Head of Internal Audit of the Company with effect from 1 October 2015 and is in charge of risk assessment and monitoring, internal audit, and internal control infrastructure development of the Group. He is also the Head of Environmental, Social and Governance of the Company and supports the Sustainability Committee of the Company to promote the Group's sustainable development. Mr. Poon was the Group Financial Controller of Kandi Electric Vehicles Group Co., Ltd., a former joint venture of the Group. Mr. Poon holds a Bachelor's Degree in Civil Engineering from the National University of Singapore. He is a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Poon has over 19 years of experience in auditing, accounting and financial management.

Mr. Chiu Yeung, Adolph, aged 40, joined the Group on 18 August 2010 as a management trainee in support of the senior management and the Board. He was appointed as the Vice President responsible for investment and capital market since October 2015. Mr. Chiu holds a few professional accreditations granted by Hong Kong Securities and Investment Institute. Mr. Chiu obtained a Bachelor of Science Degree from University of Science and Technology of China Special Class for the Gifted Young, and later he carried out scientific research and was employed as teaching assistant independently lecturing the general chemistry courses in the Department of Chemistry of University of Florida.

CORPORATE GOVERNANCE REPORT

Geely Automobile Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") strive for a high standard of corporate governance with a view to upholding a strong and balanced board of directors (the "**Board**") and maintaining a transparent and open communication channel with the Company's shareholders (the "**Shareholders**").

In addition to the corporate governance aspect, which will be further discussed in this report, more details of the Group's environmental, social and governance ("**ESG**") measures, including the relevant policies and performance in the areas of environmental, employment and labour standards, operating practices, and community, as well as compliance with the relevant laws and regulations that have a significant impact on the Group, will be covered in the Group's ESG report. This report will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company at the same time as the publication of its annual report for the year ended 31 December 2024.

For the year ended 31 December 2024, the Company has complied with the code provisions ("**CPs**") of the Corporate Governance Code ("**CG Code**"), as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), except for CPs C.2.7 and F.2.2. This report further illustrates how the CG Code has been applied, including the considered reasons for any deviation, in the year under review.

A. DIRECTORS

The directors of the Company (the "**Directors**") all possess extensive experience in the automobile industry, commercial management, and the operation of the capital market. The Board, with its diverse composition, can provide the management with viewpoints and advice for effective decision-making. For Directors' biographical information, please refer to pages 029 to 033 of this annual report.

The table below illustrates the major duties and responsibilities of the Directors, along with their positions held in the Board and its committees, and the dates of their initial appointment and last re-election at the general meetings of the Company.

CORPORATE GOVERNANCE REPORT

Name of Directors	Position(s)	Date of Initial Appointment	Date of Last Re-election	Major Duties/Experience/Skills
Mr. Li Shu Fu	Chairman of the Board (the "**Chairman**") & ED[1]	9 June 2005	25 May 2023	Directs overall corporate strategic direction, Board leadership and corporate governance of the Group
Mr. Li Dong Hui, Daniel	Vice Chairman & ED[1]	15 July 2016	25 May 2023	Oversees the coordination of the Board, strategic development, and financial system of the Group
Mr. Gui Sheng Yue ("**Mr. Gui**")	Chief Executive Officer, ED[1] & member of SC[6]	9 June 2005	31 May 2024	Oversees administrative management (Hong Kong), risk management (excluding China), compliance, and internal controls of the Group
Mr. An Cong Hui *(resigned on 10 May 2024)*	ED[1] & chairman of SC[6] *(ceased to be chairman of SC[6] from 10 May 2024)*	30 December 2011	25 May 2023	Oversees operational and risk management of ZEEKR Intelligent Technology Holding Limited ("**ZEEKR**") and its subsidiaries (collectively, the "**ZEEKR Group**")
Mr. Ang Siu Lun, Lawrence *(retired on 1 July 2024)*	ED[1]	23 February 2004	25 May 2022	Oversees international business development, capital market, and investor relation activities of the Group
Mr. Mao Jian Ming, Moosa *(appointed on 12 July 2024)*	ED[1]	25 July 2024	–	Oversees international business development and capital market of the Group
Ms. Wei Mei	ED[1]	17 January 2011	25 May 2023	Oversees operation management, digitalization, and information technology-related tasks of the Group
Mr. Gan Jia Yue	ED[1] & chairman of SC[6] *(appointed as chairman of SC[6] with effect from 10 May 2024)*	25 July 2022	25 May 2023	Oversees the overall operation management and risk management (China) of the Group
Mr. An Qing Heng	INED[2] & member of AC[3]	17 April 2014	31 May 2024	Provides independent advice on the automobile industry and strategic deployment to the Board

CORPORATE GOVERNANCE REPORT

Name of Directors	Position(s)	Date of Initial Appointment	Date of Last Re-election	Major Duties/Experience/Skills
Mr. Wang Yang	INED[2], chairman of NC[5], member of AC[3], member of RC[4] & member of SC[6]	15 September 2010	31 May 2024	Provides independent advice on corporate finance, investments, and merger & acquisitions to the Board
Ms. Gao Jie	INED[2], chairperson of AC[3], member of RC[4] & member of NC[5]	1 November 2021	31 May 2024	Provides independent advice on financial reporting, corporate finance, and investments to the Board
Ms. Yu Li Ping, Jennifer	INED[2], member of AC[3] & member of NC[5]	9 October 2023	31 May 2024	Provides independent advice on investments and merger & acquisitions to the Board
Mr. Zhu Han Song	INED[2], chairman of RC[4]	9 October 2023	31 May 2024	Provides independent advice on corporate finance and investments to the Board
Ms. Tseng Chin I *(appointed on 24 March 2025)*	INED[2], member of AC[3], member of NC[5] & member of SC[6]	24 March 2025	–	Provides independent advice on investments, public relations, and communication; enhances Board diversity and strategic insight to the Board

Notes:

1 ED: Executive Director
2 INED: Independent Non-executive Director
3 AC: Audit Committee
4 RC: Remuneration Committee
5 NC: Nomination Committee
6 SC: Sustainability Committee

Responsibilities of Directors

The Directors acknowledge their responsibilities to apply their relevant levels of skill, care, and diligence when discharging duties. The Board also understands that where potential conflicts of interest arise, the non-executive Directors (including the independent non-executive Directors) will lead in discussing the relevant transactions being contemplated when there is a Director or any of his/her associates having a material interest in the transactions and will abstain from voting.

To ensure every newly appointed Director keeps abreast of his/her responsibilities and conduct (especially in the cases of non-executive Directors and independent non-executive Directors in bringing independent judgments to the Board), and to obtain a general understanding of the Company's business activities and development, the Company arranges a comprehensive, formal, and tailored induction for him/her upon appointment. Such induction training had been arranged for Mr. Mao Jian Ming, Moosa (appointed as an executive Director on 12 July 2024) and Ms. Tseng Chin I (appointed as an independent non-executive Director on 24 March 2025).

Mr. Mao Jian Ming, Moosa obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 11 July 2024, and Ms. Tseng Chin I obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 21 March 2025. Each of them confirmed that he/she understood the obligations as a Director of the Company.

CORPORATE GOVERNANCE REPORT

The Directors disclose to and update the Company on the number and nature of offices they hold in public companies or organizations and other significant commitments, together with the time involved every year; any changes during the year are reflected in their profiles and disclosed in the Company's website, interim report, and annual report in due course.

All Directors confirmed that they had given sufficient time and attention to the Group's affairs during the year. The independent non-executive Directors also declared their independence to make constructive and informed comments on the development of the Company's strategy and policies by discharging their duties. The Board reviewed the relevant disclosure, confirmation, and declaration together with their actual time contribution, and agreed that all Directors had taken an active interest in the Group's affairs during the year.

Continuous Professional Development

CP C.1.4 provides that the Company should be responsible for arranging and funding suitable training, placing an appropriate emphasis on the roles, functions, and duties of a listed company director. During the year, the Company did not host a continuous professional development ("**CPD**") session for the Directors, as the Company has made arrangements so that the Directors may elect to participate in courses and topics of their own interest. To accommodate the Directors' development and to refresh their knowledge and skills for their ongoing contribution to the Board, the Directors can submit their applications with details of the curriculum and the relevant course fees to the Chief Executive Officer of the Company ("**CEO**"). Once the training is considered acceptable, the course fees will be fully reimbursed.

In addition, as the Directors are geographically dispersed, the Company provided them with technical updates from the Securities and Futures Commission and listing compliance updates including, amongst other things, the continuing listing criteria and other rule amendments, and a review of issuers' ESG practice disclosure during the year. The Company received written confirmations from the Directors about their full understanding of such training materials.

The attendance records of the Directors' participation in the CPD, maintained by the Company Secretary of the Company (the "**Company Secretary**") during the year, are set out below:

	Reading Materials/ Regulatory Updates/Monthly Board Reports
Executive Directors	
Mr. Li Shu Fu *(Chairman)*	√
Mr. Li Dong Hui, Daniel *(Vice Chairman)*	√
Mr. Gui *(CEO)*	√
Mr. An Cong Hui *(resigned on 10 May 2024)*	√
Mr. Ang Siu Lun, Lawrence *(retired on 1 July 2024)*	√
Ms. Wei Mei	√
Mr. Gan Jia Yue	√
Mr. Mao Jian Ming, Moosa *Note* *(appointed on 12 July 2024)*	√
Independent Non-executive Directors	
Mr. An Qing Heng	√
Mr. Wang Yang	√
Ms. Gao Jie	√
Ms. Yu Li Ping, Jennifer	√
Mr. Zhu Han Song	√

Note: Induction training was provided by external legal counsel prior to his appointment.

Supply of and Access to Information

The Company provides the Directors with adequate and timely information, enabling them to make informed decisions and discharge their duties and responsibilities properly. The Company ensures that each Director has separate and independent access to the senior management whenever necessary, and any queries raised by the Directors receive a prompt and full response.

For the notices, intended agendas, papers, and materials related to the meetings of the Board and its committees, the management team provides complete, reliable, and timely information to the Directors, with proper briefings on the matters and issues being contemplated at the meetings. The Company also keeps the Directors well informed of the execution status and the latest developments of the respective matters and issues resolved by them in a timely manner. In addition to regular Board meetings, the Company provides reports on the Group's consolidated management accounts and sales volume on a monthly basis, and investor relations updates together with share price performance on an ad hoc basis to the Board.

CORPORATE GOVERNANCE REPORT

Securities Transactions of the Directors and the Senior Management

During the year, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own guidelines for dealings in the Company's securities by its relevant employees.

The Directors, having been enquired specifically, confirmed their compliance with the required standard set out in the Model Code during the year, and there had been no cases of non-compliance reported. As at 31 December 2024, details of the Directors' holding of the Company's securities are set out on pages 074 to 077 of this annual report.

Details of the senior management's holding of the Company's shares as at 31 December 2024 are set out in the table below:

Name	Number of the Company's shares
Mr. Dai Yong	45,000
Mr. Cheung Chung Yan, David	4,125
Mr. Poon Chi Kit	45,650
Mr. Chiu Yeung, Adolph	497,142

In addition, the Company issued notices to all Directors and relevant employees of the Group, reminding them to comply with the Model Code 60 days prior to the publication of the annual results, 30 days prior to the publication of the interim results and the quarterly results, and any time when they are in possession of or privy to any unpublished inside information of the Group before it is properly disclosed by means of an announcement.

The Company also adopted an internal policy on handling inside information, which is consistent with the relevant requirements of the Listing Rules. The policy sets out measures and procedures for the Directors and other relevant officers of the Company to assume duty when dealing with potential inside information and to preserve its confidentiality whenever applicable. It also sets out guidelines for the Board to disclose any material inside information in a timely manner according to the relevant statutory and regulatory requirements.

Insurance for Directors and Senior Management

During the year, the Company arranged liability insurance for the Directors and senior management to provide appropriate coverage based upon the performance of duties by such persons. The Board considered the insured amount to be adequate. The insured amount is subject to an annual review by the Audit Committee and the Board.

CORPORATE GOVERNANCE REPORT

B. THE BOARD

The Company is effectively headed by the Board through its strong leadership in strategic orientations and overall management of corporate matters from a balanced and pragmatic standpoint.

Corporate Governance Duties

The Board performed the following corporate governance duties during the year:

(i) Reviewed the existing policies of the Company on corporate governance, including the Whistleblowing Policy, the Remuneration Policy, the Shareholders' Communication Policy, the Dividend Policy, the Director Nomination Policy, the Board Diversity Policy, and the Anti-corruption Policy.

(ii) Reviewed the coverage of knowledge and skills in the CPD arrangements made for the Directors and/or senior management by the Company.

(iii) Reviewed the effectiveness of internal procedures for overseeing the timely disclosure of material inside information and the perseverance of its confidentiality.

(iv) Monitored the compliance of the Model Code by the Directors and relevant employees of the Group.

(v) Reviewed the code of conduct and compliance manual, including the Code of Conduct and the Supplier Code of Conduct.

(vi) Reviewed the Company's compliance with the CG Code and disclosure in this report.

Management Functions Delegated by the Board

The Board has delegated the responsibilities for the execution of strategies and decision-making for day-to-day operation and administration functions of the Company to the management team headed by the CEO.

The Board has set out written guidelines for the management team regarding matters where final authority on decision-making should rest with the Board and its prior approval should be obtained. These matters include, but are not limited to, any proposed notifiable transactions, connected transactions, significant domestic and/or overseas investments, major business decisions related to operation and business strategy, change in key management of the Group, and disclosure of inside information.

Composition of the Board

The Company appointed independent non-executive Directors representing at least one-third of the Board, one of whom must have appropriate professional qualifications or accounting or related financial management expertise. As at 31 December 2024, the Board comprised six executive Directors and five independent non-executive Directors, namely Mr. An Qing Heng, Mr. Wang Yang, Ms. Gao Jie (a designation holder of Chartered Global Management Accountant (CGMA), a fellow of the Chartered Institute of Management Accountants (FCMA), and a member of American Institute of Certified Public Accountants), Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song. Ms. Tseng Chin I was appointed as an independent non-executive Director of the Company on 24 March 2025. Details of the compositions of the Board and its committees are set out on page 311 of this report.

CORPORATE GOVERNANCE REPORT

The independent non-executive Directors have been identified in all corporate communications that disclose the names of Directors. An updated list of Directors and their roles and functions is maintained on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the website of the Stock Exchange (http://www.hkexnews.hk) for Shareholders' inspection.

Appointments and Re-election of Directors

All Directors, including independent non-executive Directors, are appointed for a specific term of not more than three years and are subject to retirement by rotation at least once every three years at the Company's general meetings. Directors appointed to fill a casual vacancy should also be subject to election by Shareholders at the first general meeting after appointment.

In accordance with Article 116 of the second amended and restated articles of association of the Company (the "**Articles of Association**"), Ms. Wei Mei, Mr. Gan Jia Yue, Mr. An Qing Heng, and Mr. Wang Yang, shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Ms. Wei Mei, Mr. An Qing Heng and Mr. Wang Yang shall retire and not offer themselves for re-election thereat. Each of Ms. Wei Mei, Mr. An Qing Heng and Mr. Wang Yang confirmed that she/he has no disagreement with the Board and there is no other matter relating to his/her retirement that needs to be brought to the attention of the Shareholders. In addition, in accordance with Article 99 of the Articles of Association, Mr. Mao Jian Ming, Moosa and Ms. Tseng Chin I shall hold office until the first annual general meeting after their appointment and, being eligible, offer themselves for re-election at that annual general meeting of the Company. No Directors proposed for re-election at the forthcoming annual general meeting have a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Meetings of the Board

As required by business needs, the Company held a total of 7 regular Board meetings, 18 ad hoc Board meetings, 23 meetings of the Executive Committee of the Board ("**EC**"), 5 meetings of the Audit Committee ("**AC**"), 6 meetings of the Remuneration Committee ("**RC**"), 4 meetings of the Nomination Committee ("**NC**"), 5 meetings of the Sustainability Committee ("**SC**"), 1 annual general meeting ("**AGM**"), and 2 extraordinary general meetings ("**EGMs**") for the financial year ended 31 December 2024.

Most of the meetings of the Board and its committees were duly attended by a majority of the Directors through electronic means pursuant to the Articles of Association, as most of the Directors' business engagements were in the PRC. During the year, the Directors attended the meetings of the Board and its committees by themselves and did not appoint any alternate director. For any Board resolution approving a contract, arrangement or any other proposal in which a Director or any of his/her associates has a material interest ("**Interested Director**"), the Interested Director abstained from voting on the relevant resolutions at such Board meetings and the meetings of the Board committees, where presence of the non-interested independent non-executive Directors should be assured.

The following table illustrates the attendance of each Director at the meetings of the Board and its committees, and general meetings of the Company. The denominators indicate the number of respective meetings held during the year that each Director is entitled to attend to reflect the effective attendance rate applicable to any Director(s) who were appointed and/or retired partway during the year.

Name of Directors	Attendance Rate for Meetings								
	Regular Board Meetings	Ad hoc Board Meetings	EC Meetings	AC Meetings	RC Meetings	NC Meetings	SC Meetings	AGM	EGMs
Executive Directors									
Mr. Li Shu Fu *(Chairman)*	7/7	18/18	–	–	–	–	–	0	0/2
Mr. Li Dong Hui, Daniel *(Vice Chairman)*	7/7	18/18	–	–	–	–	–	1	0/2
Mr. Gui *(CEO)*	7/7	18/18	23/23	–	–	–	5/5	1	2/2
Mr. An Cong Hui *(resigned on 10 May 2024)*	1/1	8/8	–	–	–	–	2/2	–	–
Mr. Ang Siu Lun, Lawrence *(retired on 1 July 2024)*	3/3	11/11	–	–	–	–	–	1	1/1
Ms. Wei Mei	7/7	18/18	–	–	–	–	–	0	2/2
Mr. Gan Jia Yue	7/7	18/18	23/23	–	–	–	4/4	1	2/2
Mr. Mao Jian Ming, Moosa *(appointed on 12 July 2024)*	4/4	6/6	–	–	–	–	1	–	1/1
Independent Non-executive Directors									
Mr. An Qing Heng	7/7	18/18	–	5/5	–	–	–	1	2/2
Mr. Wang Yang	7/7	18/18	–	5/5	6/6	4/4	5/5	1	2/2
Ms. Gao Jie	7/7	18/18	–	5/5	6/6	4/4	–	1	2/2
Ms. Yu Li Ping, Jennifer	7/7	18/18	–	5/5	–	4/4	–	1	2/2
Mr. Zhu Han Song	7/7	18/18	–	–	6/6	–	–	1	2/2

Relation of the Board Members

None of the members of the Board has any relationship (including financial, business, family, or other material/relevant relationship(s)) with each other, and in particular, with the Chairman and the CEO.

Existing Independent Non-executive Directors

Each of the independent non-executive Directors entered into a term of service of three years with the Company under a formal letter of appointment. They are subject to retirement by rotation at least once every three years and offer themselves for re-election at the annual general meeting of the Company.

Having received written confirmation from the six independent non-executive Directors, confirming that they had not been involved in any business which might fall under the factors for assessing their independence as set out in Rule 3.13 of the Listing Rules, the Company considers all of the independent non-executive Directors to still be independent. They have the character, integrity, independence, and experience to fulfill their roles effectively.

When a matter should be resolved in a meeting involving a substantial Shareholder or a Director having a conflict of interest that is determined to be material by the Board, the independent non-executive Directors who have no material interest in the subject matter would attend the meetings of the Board and its committees and lead the discussions.

Chairman and Chief Executive Officer

The Chairman and the CEO are Mr. Li Shu Fu and Mr. Gui, respectively, to ensure a balance of power and authority.

The Chairman provides leadership for the effective running of the Board by delegating the Company Secretary to facilitate the proper convening of the meetings of the Board and its committees and the dissemination of adequate information, This ensures that the Directors are properly briefed on issues being discussed at the meetings of the Board and its committees and are encouraged to discuss all key and appropriate issues of the Group in a timely manner. The Chairman has delegated the Company Secretary to draw up the agenda of the relevant meetings and circulate it to the Directors for comments. Agenda items proposed by the Directors will then be included in the relevant meetings for further discussion. A culture of openness and a constructive relationship between executive and independent non-executive Directors is promoted.

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

The CEO is primarily responsible for the daily operations of the Group with assistance from other executive Directors and the management team. The division of responsibilities between the Board and the management team was clearly established in writing.

The Chairman has also endorsed the Company Secretary to draft relevant policies and guidelines to uphold good corporate governance practices and procedures of the Group, such as the Shareholders' Communication Policy and Director Nomination Policy, for maintaining effective communication with Shareholders and directing their views to the Board as a whole. For details of Shareholders' rights, please refer to pages 058 to 061 of this report.

C. BOARD COMMITTEES

The Company currently has five Board committees: Executive Committee, Remuneration Committee, Nomination Committee, Audit Committee, and Sustainability Committee. The written terms of reference for Remuneration Committee, Nomination Committee, Audit Committee, and Sustainability Committee are published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the Stock Exchange's website (http://www.hkexnews.hk) for Shareholders' inspection.

Executive Committee

An Executive Committee comprising Mr. Gui and Mr. Gan Jia Yue was established in 2015 pursuant to the Articles of Association to primarily deal with matters pertinent to share incentives. Specific written terms of reference were set out to enable the committee to perform its functions properly. The Executive Committee should report back to the Board on their decisions made or recommendations given, if applicable, at least once every year. During the year, the Executive Committee held 23 meetings. The Executive Committee approved the issue and allotment of the Company's new shares upon vesting of restricted share awards and exercise of share options. Full minutes of the Executive Committee are kept by the Company Secretary and were sent to all committee members for their comments and records within a reasonable time after the meeting. The attendance record, on a named basis, at those meetings is set out in the table on page 043 of this report.

Remuneration Committee

The role and function of the Remuneration Committee is to determine the policy for the remuneration package of executive Directors and senior management, with access to independent professional advice at the Company's expense if necessary; to assess the performance of executive Directors and senior management; to approve the terms of service contracts of executive Directors and senior management; to make recommendations to the Board on the remuneration of non-executive Directors; and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The remuneration packages of executive Directors and senior management should include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment at a reasonable and appropriate level); levels of which should be sufficient to attract, retain and/or compensate Directors and senior management to run the Company successfully without paying more than necessary. The terms of reference of the Remuneration Committee are published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the Stock Exchange's website (http://www.hkexnews.hk) for Shareholders' inspection.

Proceedings of the Remuneration Committee

The Remuneration Committee, chaired by Mr. Zhu Han Song, an independent non-executive Director, currently comprises three independent non-executive Directors (including the chairman of the committee himself). Details of the compositions of the Board and its committees are set out on page 311 of this report.

During the year, the Remuneration Committee held 6 meetings. Full minutes of the Remuneration Committee are kept by the Company Secretary and were sent to all committee members for their comments and records within a reasonable time after the meeting. The attendance record, on a named basis, at those meetings is set out in the table on page 043 of this report. The Remuneration Committee considered the following proposals and made recommendation to the Board whenever necessary during the year:–

- Reviewed the basic monthly salary, benefits, and year-end bonus of individual executive Directors with reference to their past contribution, experience, and duties as well as the Company's Remuneration Policy and prevailing market conditions;
- Approved an extension of the service agreement for an executive Director;
- Approved the remuneration package of the resigned Directors;
- Approved the remuneration package of the newly appointed Director;
- Approved the grant of share options to the eligible grantees; and
- Reviewed the Remuneration Policy of the Company and the terms of reference of the committee.

CORPORATE GOVERNANCE REPORT

Disclosure of Remuneration Payable to Directors and Senior Management

The Remuneration Committee adopts the model described in CP E.1.2(c)(i), which is to determine, with delegated responsibility, the remuneration packages of the Directors, particularly the executive Directors and senior management. In determining the remuneration packages of the Directors, the Remuneration Committee ensures that no Director or any of his/her associate is involved in deciding his/her own remuneration.

The Directors conducted the self-evaluation on their individual performance and contribution to both the Board and the Group during the year.

Under the Company's Remuneration Policy, the remuneration packages of the Directors and senior management are made up of the following two tiers: 1) on short-term basis – basic monthly salaries and discretionary year-end bonuses; and 2) on a long-term incentive basis – share option scheme, share award scheme, and retirement benefits. The diversified remuneration package can reflect the market value of the relevant duties of the Directors and senior management; encourage relevant Directors and senior management to achieve the corporate goal; attract and retain the experienced human resources for the Group; and provide competitive retirement protection.

For details of Directors' remuneration, please refer to pages 189 to 191 of this annual report.

No equity-based remuneration with performance-related elements was granted to independent non-executive Directors during the year.

For the year ended 31 December 2024, the remuneration payable to members of senior management was within the following bands:

	Number of individuals
HK$2,500,001 – HK$3,000,000	**1**
HK$3,000,001 – HK$3,500,000	**2**
HK$7,500,001 – HK$8,000,000	**1**
	4

The aggregate of the emoluments in respect of the above members of senior management was as follows:

	RMB'000
Basic salaries, discretionary bonuses, and allowances	**7,657**
Retirements benefits and scheme contributions	**213**
Equity settled share-based payment expenses	**10,568**
	18,438

Nomination Committee

The role and function of the Nomination Committee is to determine the policy for the nomination of Directors, with support from independent professional advice at the Company's expense where necessary. The terms of reference of the Nomination Committee are published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the Stock Exchange's website (http://www.hkexnews.hk) for Shareholders' inspection.

Proceedings of the Nomination Committee

The Nomination Committee, chaired by Mr. Wang Yang, an independent non-executive Director, currently comprises four independent non-executive Directors (including the chairman of the committee himself). Details of the compositions of the Board and its committees are set out on page 311 of this report.

The Nomination Committee reviews the composition of the Board on an annual basis (or more frequently if necessary) to ensure that the Board has a good balance of expertise, skills, knowledge, and experience that align with the corporate strategy of the Company. When selecting and recommending candidates for directorship, the committee considers the qualifications, abilities, working experience, leadership, professional ethics, and independence (as applicable) of the candidates before nominating those with high caliber to the Board for selection and appointment.

During the year, the Nomination Committee held 4 meetings. Apart from the nomination of a new executive Director, the Nomination Committee approved the extension of the service agreement for an executive Director; approved the change of the committee chairman; reviewed the existing structure, size, and composition of the Board in accordance with the Board Diversity Policy; reviewed the Director Nomination Policy and the Board Diversity Policy; reviewed the independence of the existing five independent non-executive Directors; reviewed the mechanism to ensure independent views and input are available to the Board; and reviewed the terms of reference of the committee. Full minutes of the Nomination Committee are kept by the Company Secretary and were sent to all committee members for their comments and records, within a reasonable time after the meeting. The attendance record, on a named basis, at those meetings is set out in the table on page 043 of this report.

Procedures and Process for Nomination of Director by the Nomination Committee

In identifying and recommending nominees for positions on the Board, the Nomination Committee places primary emphasis on (i) judgment, character, expertise, skills, and knowledge useful to the oversight of the Company's business; (ii) diversity of viewpoints, backgrounds, experiences, and other demographics; (iii) business or other relevant experience; and (iv) the extent to which the interplay of the nominee's expertise, skills, knowledge, and experience with that of other members of the Board will build a board that is active, collegial, and responsive to the needs of the Company.

Upon identifying a director candidate, the Nomination Committee initially determines the need for additional or replacement Board members and evaluates the director candidate under a range of objective criteria described above based on the information the Nomination Committee receives with the recommendation or otherwise possesses, which may be supplemented by certain inquiries. If the Nomination Committee determines, in consultation with other Board members, including the Chairman, that a more comprehensive evaluation is warranted, the Nomination Committee may then obtain additional information about the director candidate's background and experience, including by means of interviews. The Nomination Committee will then evaluate the director candidate further, again using the evaluation criteria described above. The Nomination Committee receives input on such director candidate(s) from other directors, including the Chairman, and ultimately recommends director candidate(s) to the Board for nomination.

The Nomination Committee may engage an independent professional party to assist in the search for director candidates or to assist in gathering information regarding a director candidate's background and experience. If such a professional party is engaged, the Company will pay for the services to enable the Nomination Committee to discharge its duties.

Board Diversity Policy

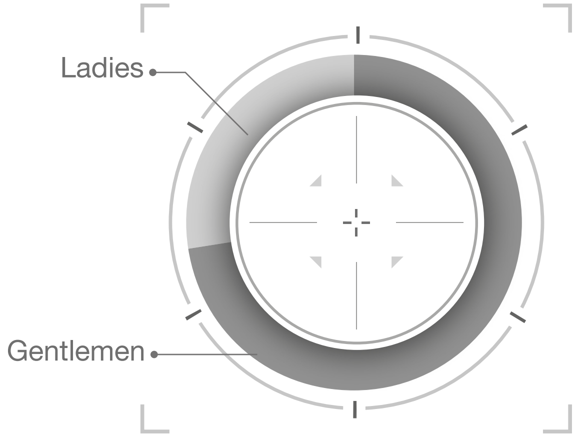
With a view to achieving sustainable and balanced development, the Company regards increasing diversity at the Board level as an essential element. The Board Diversity Policy of the Company is published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance".

In order to enhance the quality of the performance of the Board and achieve sustainable and balanced development of the Group, the Board ensures that board diversity will be considered from various aspects when designing its composition. The nomination and selection of candidates as Board members will be based on objective criteria, considering a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service.

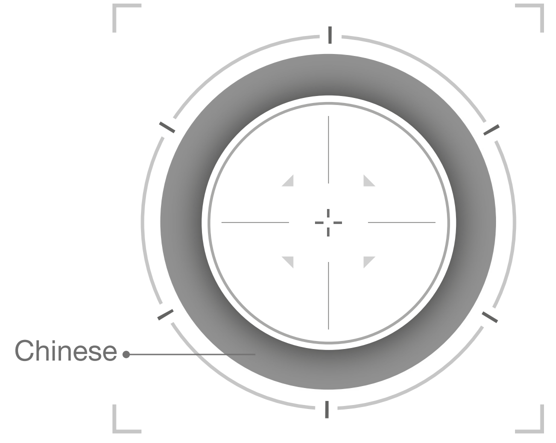
CORPORATE GOVERNANCE REPORT

The Board also reviews the Board Diversity Policy at least annually, or whenever as appropriate, to ensure its effectiveness. Taking into account the vast development of the consumer products market, a range of diversity perspectives was analyzed for the Board's composition during the year as set out in the pie charts below.

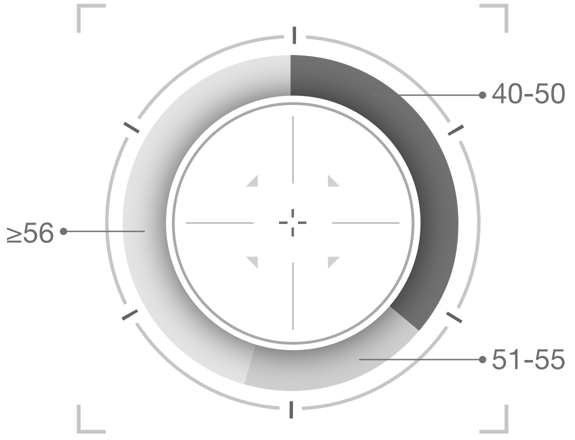
By Gender



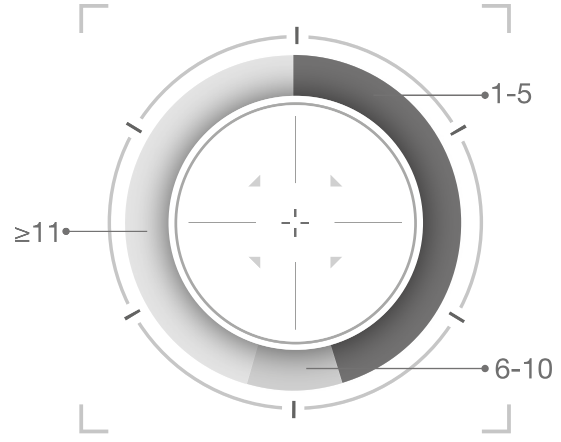
By Ethnicity



By Age Range (years old)



By Length of Service with the Company (years)



CORPORATE GOVERNANCE REPORT

As at 31 December 2024, the Board had three female Directors, representing approximately 27% of the Board members. The Company has set a target of achieving 30% or more female Directors on the Board by the end of 2025 to enhance corporate governance practices.

The Company has adopted the following measures to develop a pipeline of potential successors to the Board:

- Implementing flexible Board arrangements, such as virtual Board meetings or flexible meeting schedules, to support the work-life balance of Board members and enable them to advance in their Board careers;

- Providing access to Board governance training and skill development opportunities to help potential female Directors build the skills and experience necessary for Board service;

- Setting gender diversity targets in the boardroom to ensure a pipeline of potential female successors; and

- Using objective criteria in selecting Board members, such as skills, experience, qualifications, and background, to help reduce bias and ensure that females are considered fairly.

These measures help create a supportive environment that enables females to develop the skills and experience necessary to advance to the Board level and ensure a pipeline of potential female successors for achieving gender diversity on the Board.

The details of gender diversity at the workforce level (including senior management) will be covered in the Group's ESG report, which is published on the websites of the Stock Exchange and the Company at the same time as the publication of its annual report for the year ended 31 December 2024.

Independent Views and Input

The Company has established a mechanism to ensure independent views and input are available to the Board by appointing a sufficient number of independent non-executive Directors, all of whom meet the independence requirements under Rule 3.13 of the Listing Rules. Five independent non-executive Directors, representing more than one-third of the Board, devote adequate time to the affairs of the Group during the year. These Directors share their views and opinions through Board and/or its committee(s) meetings with management from time to time. Their involvement ensures that decisions made by the Board and/or its committee(s) are in the interests of the Company and its Shareholders as a whole, rather than being influenced by personal or financial interests. To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Company Secretary or, upon reasonable request, seek independent professional advice at the Company's expense. Monthly Board reports on the Group's business updates and financial performance are also provided to the Board for their independent views and input.

The Board reviews the implementation and effectiveness of these mechanisms on an annual basis. During the year ended 31 December 2024, the Board reviewed and considered that these mechanisms effective in ensuring that independent views and input are provided to the Board.

Audit Committee

The role and function of the Audit Committee is to investigate any activity within its terms of reference fairly and independently and take appropriate follow-up action if necessary; to seek any information it requires from any employee, with all employees directed to cooperate with any request made by the committee; and to review and ensure that proper arrangements are in place for the Company's employees to use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management, internal controls, or other matters. The Audit Committee has the right to seek independent professional advice at the Company's expense where necessary. The Audit Committee also acts as the key representative body for overseeing the Company's relations with the external auditor. The terms of reference of the Audit Committee are published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the Stock Exchange's website (http://www.hkexnews.hk) for Shareholders' inspection.

Proceedings of the Audit Committee

The Audit Committee, chaired by an independent non-executive Director who is a member of the American Institute of Certified Public Accountants, currently comprises five members (including the chairperson of the committee), all of whom are independent non-executive Directors. Details of the compositions of the Board and its committees are set out on page 311 of this report. During the year, the Audit Committee held 5 meetings. Full minutes of the Audit Committee are kept by the Company Secretary and were sent to all committee members for their comments and records within a reasonable time after the meeting. The attendance record, on a named basis, at those meetings is set out in the table on page 043 of this report. The Audit Committee considered the following businesses and/or made recommendations to the Board, when necessary, during the year:

- Reviewed and approved the 2023 annual audit plan, including the key audit matters preliminarily identified and the corresponding audit procedures;
- Reviewed the Group's audited annual results for the year ended 31 December 2023 including the major accounting and audit issues raised by the external auditor;
- Reviewed the Group's first quarterly results for the three months ended 31 March 2024;
- Reviewed the Group's interim results for the six months ended 30 June 2024;
- Reviewed the Group's third quarterly results for the nine months ended 30 September 2024;

- Assessed the independence and objectivity of the Company's external auditor and approved the annual audit fee for the year ended 31 December 2024;

- Approved the insurance of the Directors' and officers' liabilities of the Group and confirmed the adequacy of insurance coverage;

- Reviewed the internal audit findings conducted by the Internal Audit Department of the Company and assessed the effectiveness of the risk management and internal control system of the Group; and

- Reviewed the Whistleblowing Policy and the terms of reference of the committee.

Relationship with the External Auditor

Apart from meetings with the Company's external auditor four times a year for approving the quarterly results, the interim results, and the annual results, the Audit Committee also meets with the external auditor in the absence of the management team of the Company, including executive Directors, whenever necessary to discuss any issues related to the audit (e.g., nature and scope of the audit, key audit matters, reporting obligations, audit fee, nature and scope of non-audit services provided, those arising from the audit (e.g., judgment used in the financial reporting, compliance with financial reporting and auditing standards), etc.) to review and monitor the independence and objectivity of the Company's external auditor and the effectiveness of the audit process in accordance with applicable standards.

Risk Management and Internal Control

For the year ended 31 December 2024, the Board conducted an annual review of the effectiveness of the Group's risk management and internal control systems based on the confirmation made by the management and inputs from the Audit Committee. The Board confirmed the risk management and internal control systems of the Group, including the adequacy of resources, staff qualifications and experience, training programmes, and budget of the Group's accounting, internal audit and financial reporting functions as well as those relating to the Group's ESG performance and reporting, were effective and adequate during the year.

The Board has an overall and ongoing responsibility for the Group's risk management and internal control systems, and reviews their effectiveness at least annually. It is acknowledged that risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management framework and internal control systems are developed based on the "Three Lines of Defense" model and with reference to the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**")'s "Internal Control – Integrated Framework" and the "Basic Standard for Enterprise Internal Control" issued by the Ministry of Finance of the People's Republic of China and other four Ministries.

CORPORATE GOVERNANCE REPORT

The Board develops a corporate culture with a strong commitment to integrity and ethical values and communicates the tone from the top within the Group by promoting the importance of integrity and ethical values in internal conferences, publication of the Code of Conduct, the Anti-corruption Policy and other compliance-related policies, etc.

The Board, through its risk oversight role, ensures that the management establishes effective risk management, consistent with the Group's strategy and risk appetite. The management establishes risk management policies and internal control processes to identify, evaluate and manage risks. Each business unit implements such policies and processes in daily operations and reports significant risks (including ESG risks) identified to the management at least annually. After assessment and evaluation of these significant risks reported, the management then allocates sufficient resources to address these risks and monitors the risk management status reported from the relevant business unit from time to time. The management will communicate the risk management and internal control findings to the Board for their assessment of the effectiveness of the relevant risk management and internal control systems of the Group.

The Internal Audit Department of the Company reviews material internal control aspects of the Group, including financial, operational and compliance controls as well as risk management function and reports the findings to the Audit Committee at least twice a year and on ad hoc basis, without the presence of management. The findings are communicated with the management and actions are taken to resolve defects as and when identified. No material internal control defects were identified during the year.

When the Board and the Audit Committee express concerns over the risk management and internal control matters of the Group, the Internal Audit Department of the Company will investigate and communicate the findings with and make recommendations to the management. The Internal Audit Department of the Company also maintains effective communication with the external auditor of the Company on the Group's internal control system during interim review and annual audit.

The Group has a policy for handling and dissemination of inside information including relevant control processes and safeguards. The processes and safeguards are implemented on a monthly basis and as needed by relevant department heads and the management involved in the handling and dissemination of inside information. The Group also established the Whistleblowing Policy and the Anti-Corruption Policy. The Whistleblowing Policy aims to provide an avenue for employees, suppliers, customers, etc., who deal with the Group to raise any suspected misconduct or malpractice within the Group. The Anti-Corruption Policy has been formulated to regulate anti-bribery and anti-corruption compliance management, to promote the conduct of business activities in a fair, just and transparent market environment and to safeguard the achievement of the Group's business objectives and sustainable development.

Sustainability Committee

The role and function of the Sustainability Committee is to assist the Board in overseeing the Group's development in ESG and provide guidance in the implementation of related measures to promote the Group's sustainability. The terms of reference of the Sustainability Committee are published on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the Stock Exchange's website (http://www.hkexnews.hk) for Shareholders' inspection.

Proceedings of the Sustainability Committee

The Sustainability Committee, chaired by Mr. Gan Jia Yue, an executive Director, comprises two executive Directors (including the chairman of the committee himself) and two independent non-executive Directors. Details of the compositions of the Board and its committees are set out on page 311 of this report.

During the year, the Sustainability Committee held 5 meetings. The Sustainability Committee reviewed the Group's sustainability-related performance, risks and opportunities, resources, and implementation including but not limited to carbon emission and climate change; engaged an external consultant for the 2024 ESG report; reviewed and approved the ESG strategy; revised the Code of Conduct and the Geely Supplier Code of Conduct; changed the chairman of the committee; reviewed and approved the 2023 ESG report; revised the terms of reference of the committee. Full minutes of the Sustainability Committee are kept by the Company Secretary and were sent to all committee members for their comments and records within a reasonable time after the meeting. The attendance record, on a named basis, at those meetings is set out in the table on page 043 of this report.

D. ACCOUNTABILITY AND AUDIT

The Directors were provided with major financial information and related explanation and information of the Company that would enable them to make an informed assessment. Such information was provided on a monthly basis and included, but was not limited to, background or explanatory information relating to disclosure, budgets, forecasts, and other relevant internal financial information, such as consolidated financial statements of the Company.

The Directors acknowledge their responsibility for preparing the accounts of each financial period, which should give a true and fair view of the operating results and financial conditions of the Company, and for monitoring the integrity of the Company's financial statements and corporate communications. The Directors are also aware that a balanced, clear, and understandable assessment in the Company's annual and interim reports and other financial disclosures required by the Listing Rules, other regulatory, and statutory requirements should be presented. In preparing the financial statements for the year ended 31 December 2024, the Directors have selected appropriate accounting policies and applied them consistently; made judgements and estimates that are prudent and reasonable; and prepared accounts on a going concern basis. The reporting responsibilities of the independent external auditor of the Company regarding the consolidated financial statements of the Company for the year ended 31 December 2024 are set out in the independent auditor's report on pages 119 to 125 of this annual report.

CORPORATE GOVERNANCE REPORT

Although the Group was in a net current liabilities position as at 31 December 2024, the Directors consider the cash inflow from profitable operations and the stand-by bank facilities available and believe the Group has sufficient financial resources to meet its present requirements.

During the year, the Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The Board also conducted an annual review on the effectiveness of the risk management and internal control system of the Group. In addition, the Company has been announcing the monthly sales volume figures on a voluntary basis since January 2010 to improve information transparency.

Long-term Strategy

The Company's long-term objective is to deliver sustainable growth in Shareholders' returns and become a leading global automobile group with a strong reputation and integrity, earning respects from its customers. The strategies adopted to achieve these goals include:

- Achieving economies of scale through the expansion of sales volume and production capacity;
- Broadening product range and expanding geographically in both domestic and international markets;
- Focusing on quality, technology, customer services, and satisfaction;
- Pursuing organic expansion supplemented by mergers and acquisitions, and strategic alliances;
- Preserving competitive strength in cost effectiveness, flexibility, and intellectual property resources;
- Attaining carbon neutrality and building an environmental-friendly mobility ecosystem that aligns with the trends of clean, green and sustainable development; and
- Integrating comprehensive ESG practices, including climate-related disclosures, risk management, and sustainability initiatives, to meet regulatory requirements and stakeholder expectation.

External Auditor and their Remuneration

Grant Thornton Hong Kong Limited, the independent external auditor of the Company, has declared its reporting responsibilities regarding the consolidated financial statements of the Company for the year ended 31 December 2024 in the independent auditor's report set out on pages 119 to 125 of this annual report.

During the year, there was no disagreement between the Board and the Audit Committee on the re-appointment of Grant Thornton Hong Kong Limited, as well as their fees and terms of engagement, after the assessment of their independence and objectivity conducted by the Audit Committee. Grant Thornton Hong Kong Limited will hold office until re-election by the Shareholders at the forthcoming annual general meeting of the Company.

For the year ended 31 December 2024, the remuneration for the provision of audit and non-audit services by the auditor (including any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the audit firm nationally or internationally) to the Group was as follows:

	2024 RMB'000
Audit Service	
Annual audit	**7,589**
Non-audit Services	
First quarterly review	**120**
Interim review	**780**
Third quarterly review	**80**
Other review and agreed-upon procedures on medium-term notes issuance, connected transactions/continuing connected transactions*	**810**
General tax advisory and compliance services	**100**
Total	**9,479**

* Please refer to the Company's announcements dated 21 October 2024 and 14 November 2024 for details.

E. COMPANY SECRETARY

The Company Secretary is an employee of the Company and is involved in the Company's affairs. He completed more than 15 hours of professional training during the year ended 31 December 2024.

Reporting to the Chairman and/or the CEO, the Company Secretary plays an important role in ensuring proper Board procedures are tailored to the Company's business needs and compliance with all applicable laws, rules, and regulations. The Directors can obtain advice and services from the Company Secretary for updates and developments in corporate governance, as well as applicable laws and regulations when necessary. Upon reasonable request by the Directors, the Company Secretary is delegated by the Board to seek independent professional advice in appropriate circumstances at the Company's expense to assist the Directors in fulfilling their duties.

The Company Secretary, as delegated by the Chairman, is responsible for preparing meeting agendas and serving notices to the Board and its committees at least 14 days before the regular meetings or at a reasonable time for other ad hoc meetings, as well as ensuring the management's provision of relevant Board papers to the Directors at least 3 days before the meetings. By doing so, the Directors receive adequate, accurate, clear, complete and reliable information in a timely manner, supporting them in making effective and informed decisions.

CORPORATE GOVERNANCE REPORT

The Company Secretary also ensures that the meetings of the Board and its committees are convened and constituted in accordance with all applicable laws, regulations, and the procedural requirements set out in the Articles of Association and/or the relevant terms of reference at all times. In addition, the Company Secretary will take minutes of the meetings and circulate them to the Directors for comments at a reasonable time after the meetings. Minutes of the meetings record in sufficient detail the matters considered and decisions reached, including any concerns raised or dissenting views expressed by Directors. After incorporating Directors' comments, the executed version of the minutes will be maintained by the Company Secretary and will be available for Directors' inspection upon request.

F. SHAREHOLDERS' RIGHTS

The Company had posted the Shareholders' Communication Policy, which sets out its policies of information dissemination, maintaining communications with Shareholders, Shareholders' rights, and the procedures for Shareholders to propose a person for election as a Director and convene an extraordinary general meeting, formalities of the Shareholders' meetings, and Shareholders' privacy, on its website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" for Shareholders' inspection.

As part of its ongoing commitment to transparency and open communication, the Company conducted a comprehensive review of its Shareholders' Communication Policy during the year. The review process involved an analysis of the Policy's effectiveness in facilitating timely and accurate communication between the Company and its shareholders, as well as gathering feedback from stakeholders on ways to improve the Policy. Based on this review, the Company found that the Shareholders' Communication Policy has been successful in promoting transparency and maintaining positive relationships with its stakeholders. The Company arrived at this conclusion by evaluating the effectiveness of its communication channels, reviewing feedback from shareholders and other stakeholders, and analyzing the frequency and quality of communications throughout the year.

How can Shareholders convene an extraordinary general meeting and put forward proposals at the general meetings?

All general meetings other than the annual general meeting are called extraordinary general meetings. All general meetings may be held as a physical meeting in any part of the world, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion. An extraordinary general meeting may be convened at the request of Shareholders under the following conditions:–

1. On the written requisition of any Shareholders holding, as at the date of deposit of the requisition, 10% or more of the voting rights, on a one vote per share basis, in the share capital of the Company;

CORPORATE GOVERNANCE REPORT

2. The requisition must specify the objects of the meeting and resolutions to the meeting agenda (if any), be signed by the requisitionist(s), and be deposited at the principal place of business of the Company in Hong Kong as set out on page 312 of this annual report under the section headed "Corporate Information";

3. If the Board does not, within 21 days from the date of deposit of the requisition, proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves may convene the physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company; and

4. If the Board fails to give Shareholders sufficient notice (i.e., not less than 21 days for the annual general meeting and/or for passing of special resolution(s) at the extraordinary general meeting, or not less than 14 days for passing of ordinary resolution(s) at the extraordinary general meeting), the meeting is deemed not to have been duly convened.

Enquiries to be properly directed to the Board

The Company's Investor Relations Department, led by the CEO, namely Mr. Gui, is responsible for responding to general enquiries on the Company's business operations from Shareholders. Mr. Gui is delegated by the Board to handle enquiries from the Shareholders and report to the Board on enquiries gathered for further discussions from time to time, to ensure that those enquiries are properly directed.

When dealing with enquiries, the Investor Relations Department of the Company is in strict compliance with the internal policy of the Company on inside information at all times. Contact details of the Company's principal place of business are set out on page 312 of this annual report under the section headed "Corporate Information".

Communication with Shareholders

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

CORPORATE GOVERNANCE REPORT

The Company held its annual general meeting ("**AGM**") on 31 May 2024. Due to a conflict of his schedule and other prior business engagement in the PRC, Mr. Li Shu Fu, the Chairman, was unable to attend the general meeting but he assigned an executive Director to report to him on any enquiries the Shareholders might have after the meeting. One executive Director and the Company's external auditor attended and answered questions raised by the Shareholders at the meeting physically. Five independent non-executive Directors and three executive Directors participated in the meeting via conference call. A record of the attendance of the relevant Directors who physically attended the AGM or participated via conference call is set out on page 043 of this report.

Voting by Poll

For any resolutions proposed by the Company at the general meetings, bundling resolutions should be avoided. The Listing Rules stipulate that any vote of shareholders at all general meetings must be all taken by poll, except where the chairman of the general meetings, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted by a show of hands.

The chairman of the general meetings will ensure that an explanation is provided with the detailed procedures for conducting a poll and will answer any questions from the Shareholders on voting by poll to ensure they are familiar with the procedures.

The Company arranges for the notice to Shareholders to be sent for annual general meetings and extraordinary general meetings called for the passing of a special resolution at least 21 clear days before the meeting, and to be sent at least 14 clear days for all other extraordinary general meetings.

Policy on Payment of Dividends

Subject to the Companies Act (as amended) of the Cayman Islands, the Company may, from time to time in general meeting, declare dividends in any currency to be paid to the members of the Company whose names appear on the register of members of the Company on a pre-determined date at the Board's discretion as the record date for the purpose of determining the entitlement to receive payment of any dividend. However, no dividend shall be declared in excess of the amount recommended by the Board.

The Board may also, without convening a general meeting, from time to time declare interim dividends as appear to the Board to be justified by the profits of the Company. In particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights, as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend. The Board may also pay half-yearly or at other intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment. The Board may, in addition, from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as they think fit.

No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution, including share premium. No dividend shall carry interest against the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied. Pending such application, the reserves may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In case of the Board elects to pay the dividend in shares, the Company shall abide by the provisions of the Articles of Association on scrip dividends.

G. INVESTOR RELATIONS

Constitutional documents of the Company

The Company's memorandum and articles of association is maintained on the Company's website (http://www.geelyauto.com.hk) under the "Investor Centre" section headed "Environmental, Social and Corporate Governance" and on the website of the Stock Exchange (http://www.hkexnews.hk) for Shareholders' inspection. During the year, no changes were made to the Company's memorandum and articles of association.

Changes in Authorised Share Capital

During the year ended 31 December 2024, the Company increased its authorised share capital from HK$240,000,000 (divided into 12,000,000,000 shares of a nominal value of HK$0.02 each) to HK$360,000,000 (divided into 18,000,000,000 shares of a nominal value of HK$0.02 each). This increase was approved by the Shareholders at the AGM held on 31 May 2024.

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

Details of substantial Shareholders by aggregate shareholding

Details of Shareholders having a substantial interest in the Company's securities, as defined in the Securities and Futures Ordinance, as at the date of this report are set out on pages 080 to 081 of this annual report.

Details of the last AGM and EGMs in 2024

Event Date & Time	Venue	Major items discussed	Voting results
AGM on 31 May 2024 (Friday) at Hong Kong Time ("**HKT**") 4:00 p.m.	Boardroom 8, Lower Lobby, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong	(i) received and considered the report of the directors, audited financial statements and auditor's report; (ii) declared a final dividend; (iii) re-election of directors; (iv) authorised the Board to fix the remuneration of the directors; (v) re-appointed Grant Thornton Hong Kong Limited as the auditor of the Company; (vi) granted a general mandate to the directors to repurchase shares and to issue new shares; and (vii) approved the increase in the authorised share capital of the Company.	all resolutions were duly passed by the Shareholders as ordinary resolutions by way of poll
EGM on 18 June 2024 (Tuesday) at HKT 4:00 p.m.	Boardroom 8, Lower Lobby, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong	approved the special dividend to Shareholders by way of a distribution, either by cash payment or by distribution of the Distribution ADS(s) (as defined in the circular of the Company dated 30 May 2024).	the resolution was duly passed by the Shareholders as an ordinary resolution by way of poll

CORPORATE GOVERNANCE REPORT

Event Date & Time	Venue	Major items discussed	Voting results
EGM on 10 October 2024 (Thursday) at HKT 4:00 p.m.	Boardroom 8, Lower Lobby, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong	(i) approved, ratified and confirmed the Services Agreement (as defined in the circular of the Company dated 24 September 2024), the transactions contemplated thereunder and the annual caps; (ii) approved, ratified and confirmed the Automobile Components Sale and Purchase Agreement (as defined in the circular of the Company dated 24 September 2024), the transactions contemplated thereunder and the annual caps; and (iii) approved, ratified and confirmed the Operation Services Agreement (as defined in the circular of the Company dated 24 September 2024), the transactions contemplated thereunder and the annual caps.	all resolutions were duly passed by the independent Shareholders as ordinary resolutions by way of poll

CORPORATE GOVERNANCE REPORT

Indication of important dates for the Shareholders in 2025/2026

Event		Date
2025 first quarterly results	:	15 May 2025 (Thursday)
Closure of the Company's register of members ("**Book Close**") for the entitlement of voting rights at the forthcoming annual general meeting	:	27 May 2025 (Tuesday) to 30 May 2025 (Friday)
Forthcoming annual general meeting	:	30 May 2025 (Friday) at HKT 4:00 p.m. at Boardroom 8, Lower Lobby, Renaissance Hong Kong Harbour View Hotel, 1 Harbour Road, Wan Chai, Hong Kong
Ex-entitlement date for final dividend	:	11 June 2025 (Wednesday)
Book Close for entitlement of final dividend	:	13 June 2025 (Friday) to 18 June 2025 (Wednesday)
Record date for final dividend entitlement	:	18 June 2025 (Wednesday)
Final dividend distribution	:	25 July 2025 (Friday)
2025 interim results announcement	:	Late August 2025 ***(to be confirmed)***
2025 third quarterly results	:	Mid-November 2025 ***(To be confirmed)***
Financial year end	:	31 December 2025 (Wednesday)
2025 annual results announcement	:	Late March 2026 ***(to be confirmed)***

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors of the Company (the "**Directors**") present their annual report together with the audited consolidated financial statements of Geely Automobile Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 46 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated income statement and consolidated statement of comprehensive income on page 126 and page 127, respectively of the annual report. The Directors recommend the payment of a final dividend of HK$0.33 per ordinary share to the shareholders on the register of members on 18 June 2025, amounting to approximately RMB3,113,411,000.

BUSINESS REVIEW

A fair review of the Group's business including an analysis using financial key performance indicators and the likely future development in the Group's business is set out in the Chairman's Statement on pages 007 to 010 and the Management Report – Performance & Governance on pages 012 to 028 of this annual report. An account of the Group's key relationships with its customers and suppliers, and on which the Group's success depends is set out on page 111 of this annual report and notes 21 and 24 to the consolidated financial statements. Such disclosure forms part of this Directors' Report.

Particulars of important events affecting the Group that have occurred since the end of the year ended 31 December 2024 are set out in the Management Report – Performance & Governance on pages 012 to 028.

The principal risks and uncertainties facing the Group are discussed below:

1. It is not certain that the Group may be able to identify or offer popular models to meet changing trends and consumer demands, or to gain market acceptance of the new models

Market trends, consumer demands and needs in the markets where the Group operates change and depend upon various factors, some of which are beyond the Group's control, such as prevailing economic conditions, consumption patterns, disposable income and inherent uncertainty in the market. It is believed that the Group's ability to anticipate, identify and respond to those trends in a timely manner is critical to the Group's success.

However, it is uncertain that the Group may accurately anticipate the shifts in customer needs or timely offer new models that meet those changing trends.

To broaden the Group's model portfolio, the Group plans to continue to upgrade its existing models, and in the meantime, develop new models. The Group plans to launch several new models in 2025 whilst a series of new models innovated from the technologies of various modular architectures and set of components based on its platform strategy, standardization, and shared modularization in product development is scheduled to be launched in the coming years. In the transition to new energy, the Group will continue to launch high-end pure electric vehicles based on the SEA architecture and will also introduce mass-market new energy vehicles based on the GEA architecture. In addition, leveraging its completed AI layout, the Group will accelerate the intelligent development of its automotive products, in order to meet the customers' growing demand. In the future, the Group plans to provide more advanced powertrain and electrification options, and more advanced intelligent features to its customers. However, it is not assured that the Group's model development will accurately reflect the prevailing market trends or customer needs at any given time, or that the new models to be launched will be well received by the market. If the new models fail to gain market acceptance, the Group's brand image, business, financial condition, results of operations and prospects will be materially and adversely affected.

2. It is not certain that the Group's research and development capabilities, on which the Group's continued growth depends, and its research and development efforts will be successful

The automobile market is characterized by changing technologies, periodic new model introductions and evolving end-user customer and industry requirements. The Group's competitors are continuously developing automobiles that adopt advanced technologies to operate more efficiently and cost-effectively. The Group's continued success, therefore, depends on its ability to develop new products that can successfully compete with those offered by its competitors in terms of design, performance and price, which, in turn, depends largely on its research and development capabilities. In addition, the Group's research and development efforts may not be successful or yield the anticipated level of economic benefits. Even if the Group's research and development efforts are successful, the Group may not be able to apply these newly developed technologies to products that will be accepted by the market or apply them in a timely manner to take advantage of the market opportunities.

The Group is continuously strengthening its research and development capabilities through talent development and collaboration with various business partners, including but not limited to Volvo Car Corporation ("**Volvo Car**"), which is majority-owned by the Group's parent company, Zhejiang Geely Holding Group Company Limited ("**Geely Holding**"). It has formed a powertrain joint venture with Geely Holding and Renault S.A.S. (an independent third party) ("**Renault**"), as well as other technological collaborations in intelligent new energy vehicles with industry-leading technology companies and suppliers. In the meantime, the Group will speed up its products offerings in new energy vehicles to prepare itself for the challenge of stringent statutory requirements on fuel consumption standards in the future and the booming new energy vehicle market.

3. The Group is subject to product liability exposure, which could harm its reputation and materially and adversely affect its business, financial condition and results of operations

The Group's products can be exposed to potential product liability claims if they fail to perform as expected, are proven to be defective, or if their use causes, results in, or is alleged to have caused, resulted in personal injuries, project delays, damage or other adverse effects. The Group currently does not maintain product liability insurance to cover potential product liability arising from the use of its products and may be unable to obtain sufficient product liability insurance coverage on commercially reasonable terms, or at all.

Furthermore, certain product liability claims may result from defects in parts and components purchased from third party suppliers. Such third party suppliers may not indemnify the Group for defects in these parts and components or may only provide limited indemnification that is insufficient to cover the Group's damages resulting from the product liability claim.

Product liability claims, with or without merit, may result in significant negative publicity and thus materially and adversely affect the marketability of the Group's products and its reputation, as well as its business, financial condition and results of operations. Moreover, a material design, manufacturing or quality-related failure or defect in the Group's products or other safety issues could warrant a product recall by the Group and result in increased product liability claims. If authorities in the jurisdictions in which the Group sells its products decide that its products fail to conform to applicable quality and safety requirements and standards, the Group could be subject to regulatory actions.

The Group regularly monitors the quality of its products via the collection of quality feedback from its customers and extensive product testing. Protective measures such as product recalls will be taken to rectify any concerns if product quality issues are found. To mitigate further warranty liability and ensure compliance with relevant product safety regulations, the Group will continuously strengthen the selection of suppliers to ensure high-quality automobile components are used to minimize the occurrence of product quality and safety issues.

4. The Group's business, financial condition and results of operations may be materially and adversely affected if it fails to manage its purchase costs or obtain raw materials, parts and components on a timely basis or at reasonable prices

Although the Group usually sources important raw materials and parts and components from multiple suppliers to achieve a stable supply, it cannot assure that the suppliers can always adequately serve its needs in a timely manner or at reasonable prices.

If there is any significant increase in the prices of raw materials, parts or components or if their supply is disrupted, the Group may incur additional costs to maintain its production schedules, which, in turn, may decrease its profitability and materially and adversely affect its business, financial condition and results of operations. In addition, global trade barriers and geopolitical factors may also affect the stability of the supply of certain components.

To remain competitive, the Group tries to manage the costs efficiently and aims to produce products at competitive costs. The Group plans to implement cost control policies, such as streamlining the supply chain and localizing production, to further reduce costs in the procurement of raw materials and components used in production and to enhance the stability of the supply chain. At the same time, the Group will continue to take advantage of globalized supply chain, establish strategic partnerships with major suppliers, build manufacturing plants, and develop a medium- and long-term risk identification system for the supply chain to ensure a sufficient supply of raw materials and components.

5. Increasing competition in the PRC automobile market and volatility of consumer demand could have a material adverse effect on the Group's ability to maintain competitiveness

Increasing consumer purchasing power in the PRC has resulted in significant growth in the demand for automobiles. Such growth in the automobile market has encouraged, and is likely to continue to encourage, foreign competitors, sino-foreign equity joint ventures established in the PRC and new domestic automobiles companies to further expand their production capacity. The Group's current market share and profit margin may be diluted or reduced if there is increasing competition for vehicles or further price reductions caused by increased competition. The pricing, recognition and loyalty to the Group's brand of products and the financial and technical resources allocated to the Group's products may be materially and adversely affected if competing automobile products, domestic or foreign, gain a competitive advantage.

The demand for automobiles in China and the rest of the world is cyclical in nature and is affected by various factors, including sales and financing incentives, costs of raw materials, parts and components, cost of fuel, environmental concerns and governmental regulations, including tariffs, import regulation and other taxes.

Fluctuations in demand may lead to lower vehicle sales and increased inventory, which may result in further downward price pressure, inevitably adversely affecting the Group's financial condition and results of operations.

Over the years, the Group has increased its production capacities in anticipation of a continuous increase in demand for automobiles in the PRC. Any slowdown in demand for automobiles and the intense competition in the PRC may lead to an inventory surplus and could result in a significant under-utilisation of the Group's production capacity, which would in turn, result in diminished returns on the substantial resources invested in the expansion of the Group's production capacities. If these events occur, the Group's results of operations and financial condition could be materially and adversely affected.

On the other hand, the market response to the Group's products may exceed the Group's expectations. Thus, the Group may not have sufficient production capacity to fulfill customers' demands and as a result, suffer from loss of revenue as the Group cannot deliver the products in a timely manner.

The Group is committed to continuously developing products with improvement in quality and more advanced technologies and powertrains, as well as enhancing its production efficiency. A series of new products developed from the aforementioned technologies of the modular architectures and sets of components, as well as new energy vehicle products, will broaden the Group's model portfolio. Meanwhile, the Group has robust sales and marketing strategies to respond to the dynamic market. Diversified campaigns and extensive development of the sales network will continue to develop the brand image and provide better outreach to the Group's consumers.

6. Risks of overseas operations

The Group has operations in foreign countries and regions. In recent years, the amount and proportion of overseas operating income and overseas equity investment have been increasing. The Group cooperates with PROTON in Southeast Asia markets and mainly conducts overseas business in other regions through the export of complete vehicles and parts. However, if global trade friction continues to escalate, certain countries implement policies such as increasing tariffs or setting up non-tariff barriers, or geopolitical conflicts escalate, the Group's operations may be adversely affected.

To reduce the risks of overseas operations, the Group is committed to making efforts in several aspects: formulating prices and policies that are tailored to local conditions and controlling the inventory-to-sales ratio within a reasonable range; setting reasonable credit periods and managing overseas funds; adhering to the principle of exchange rate neutrality, reducing the impact of exchange rate fluctuations on business operations through a combination of forward hedging and spot exchange; and insuring overseas equity through Sinosure to prevent extreme situations such as exchange restrictions and wars from causing losses in equity.

The Group will consistently assess the risks and opportunities linked with its export businesses. It will adapt its foreign operations as necessary, adhering to the fundamental principle of global business development compliance. The Group will stay alert to changing conditions, ensuring the protection of its interests.

7. Foreign exchange risk of RMB exchange rate fluctuations

The majority of the Group's export sales are settled in foreign currencies, such as the US dollar and the Euro. Additionally, the Group has local affiliates, joint ventures, and partnerships in various overseas export markets. Since the implementation of the managed floating exchange rate mechanism in China in July 2005, fluctuations in the RMB exchange rate have impacted the Group's operating performance in two ways. Firstly, RMB exchange rate fluctuations directly affect the selling price of our export products, influencing the competitive pricing of our products. Secondly, these fluctuations may result in corresponding exchange gains or losses for the Group.

During the year, the Group experienced significant foreign exchange losses, primarily due to volatility in certain emerging market currencies affected by geopolitical developments. These currency fluctuations, combined with extended payment terms in export operations, resulted in substantial foreign exchange exposure.

To mitigate or hedge foreign exchange risks, the Group has developed stringent foreign exchange risk management policies. The Group primarily employs natural hedging through operational means, such as increasing the proportion of costs denominated in local currencies through its overseas plants. If foreign exchange risk exposure persists, the Group will utilise financial instruments such as foreign currency forward contracts, interest rate swaps, and currency swaps to manage these risks. These forward contracts do not qualify for hedge accounting and are accounted for as financial liabilities at fair value through profit or loss.

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

8. Significant adverse impacts due to climate change and regulatory environment changes

The automotive and transportation industry is one of the major sources of global carbon emissions, and as such, the Group also faces risks related to climate change in areas such as policy and legal frameworks, technology, market dynamics, reputation, and physical infrastructure. Climate change also presents opportunities for the development of resilient business models and new products, such as providing new energy transportation services and products, and green financing. If the Group fails to effectively identify, assess, and manage climate-related risks and opportunities, as well as implement effective response measures, it may face adverse financial and non-financial impacts due to the aforementioned risks or missed business opportunities.

To address these issues, the Group has established a Sustainability Committee to oversee the management of climate-related risks and opportunities. Additionally, dedicated teams have been established to manage daily carbon emission tasks and monitor progress. The Group further published emission reduction and carbon neutral targets and related measures in March 2022, as well as an ESG strategy that includes "climate neutrality" in March 2023, to effectively address climate change and promote sustainable development.

The implementation of more stringent regulatory requirements in fuel efficiency, product warranty, product recall and emissions standards in the PRC could put tremendous cost pressure on indigenous brands in the PRC. Further, more major cities in the

PRC are expected to introduce local policies to restrict new car licenses to ease traffic and combat air pollution, thus restricting the demand for passenger vehicles. The impact could be even bigger for indigenous brands, where their major competitive edges in pricing could be seriously undermined by the introduction of an auction and lottery system to curb the growth of new vehicles.

The Group is committed to its new energy vehicles strategy to respond to the challenge in fuel efficiency and emission standards, as well as taking advantage of the exemption from the auction and lottery system granted to new energy vehicles. The Group will also continue its development in powertrain technologies for conventional vehicles to comply with regulatory requirements.

The Group follows its company mission of "To Create an Intelligent Mobility Experience that Exceeds Users' Expectations" with an aim to build up the core values of "Truth-seeking & Practical, Hardworking & Enterprising, Collaborative & Innovative". The Group hopes to demonstrate its insight into the sustainable development of the vehicle market, national economy and society, and present happiness to every individual. In this respect, the Group details its manufacture from strength to strength through research and development and design of vehicles. For the year ended 31 December 2024, the Group complied with the relevant laws and regulations that have a significant impact on the Group.

In addition to refining the Group's business strategies, the development goal requires participation of every staff member, customer, supplier and stakeholder. The Group hopes to become a pioneer in demonstrating the sustainable development of the vehicle industry, national economy and society.

The particulars of the Group's environment protection and climate change policies, behavior and compliance with the relevant laws and regulations that have a material influence on the Group are set out in the Environmental, Social and Governance Report of the Company, which will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company at the same time as the publication of its annual report for the year ended 31 December 2024.

CLOSING OF REGISTER OF MEMBERS

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

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

DIRECTORS' REPORT

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five financial years is set out on page 003 of the annual report.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the year, details of movements in the property, plant and equipment and intangible assets of the Group are set out in notes 14 and 15, respectively, to the consolidated financial statements.

SHARE CAPITAL

During the year, details of the share capital of the Company are set out in note 30 to the consolidated financial statements.

BORROWINGS

Particulars of borrowings of the Group as at 31 December 2024 are set out in notes 28, 29 and 33, respectively, to the consolidated financial statements.

RETIREMENT SCHEMES

Particulars of the retirement schemes are set out in note 37 to the consolidated financial statements.

RESERVES

During the year, details of the movements in the reserves of the Group and the reserves of the Company are set out in the consolidated statement of changes in equity on page 131 and page 300 of the annual report, respectively.

As at 31 December 2024, the aggregate amount of reserves available for distribution to equity holders of the Company was RMB25,003,464,000 (2023: RMB15,820,599,000). After the end of the reporting period, the Directors proposed a final dividend of HK$0.33 (2023: HK$0.22) per ordinary share amounting to RMB3,113,411,000 (2023: RMB2,033,286,000). The final dividend proposed has not been recognised as a liability at the end of the reporting period as set out in note 11 to the consolidated financial statements.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors:

Mr. Li Shu Fu *(Chairman)*
Mr. Li Dong Hui, Daniel *(Vice Chairman)*
Mr. Gui Sheng Yue *(Chief Executive Officer)*
Mr. An Cong Hui *(resigned on 10 May 2024)*
Mr. Ang Siu Lun, Lawrence *(retired on 1 July 2024)*
Ms. Wei Mei
Mr. Gan Jia Yue
Mr. Mao Jian Ming, Moosa *(appointed on 12 July 2024)*

Independent Non-executive Directors:

Mr. An Qing Heng
Mr. Wang Yang
Ms. Gao Jie
Ms. Yu Li Ping, Jennifer
Mr. Zhu Han Song
Ms. Tseng Chin I *(appointed on 24 March 2025)*

DIRECTORS' REPORT

In accordance with Article 116 of the Company's Articles of Association, Ms. Wei Mei, Mr. Gan Jia Yue, Mr. An Qing Heng, and Mr. Wang Yang, shall retire from office by rotation and being eligible, shall offer themselves for re-election at the forthcoming annual general meeting of the Company.

Ms. Wei Mei has informed the Board that she will not offer herself for re-election at the annual general meeting due to work adjustments. Accordingly, she will retire as an executive Director at the conclusion of the annual general meeting. Ms. Wei Mei confirmed that she has no disagreement with the Board and there is no other matter relating to her retirement that needs to be brought to the attention of the Shareholders.

Mr. An Qing Heng has informed the Board that he will not offer himself for re-election at the annual general meeting due to his term of office having exceeded the maximum 9-year term allowed for independent non-executive directors, in accordance with the latest corporate governance requirements under Appendix C1 to the Listing Rules. Accordingly, he will retire as an independent non-executive Director and a member of the audit committee at the conclusion of the annual general meeting. Mr. An Qing Heng confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the Shareholders.

Mr. Wang Yang has informed the Board that he will not offer himself for re-election at the annual general meeting due to his term of office having exceeded the maximum 9-year term allowed for independent non-executive directors, in accordance with the latest corporate governance requirements under Appendix C1 to the Listing Rules. Accordingly, he will retire as an independent non-executive Director, the chairman of the nomination committee, and a member of the audit committee, the remuneration committee and the sustainability committee at the conclusion of the annual general meeting. Mr. Wang Yang confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs to be brought to the attention of the Shareholders. Following the retirement of Mr. Wang Yang at the conclusion of the annual general meeting, Mr. Zhu Han Song, an independent non-executive Director, will act as the chairman of the nomination committee.

In accordance with Article 99 of the Company's Articles of Association, Mr. Mao Jian Ming, Moosa and Ms. Tseng Chin I, shall hold office until the first annual general meeting after their appointment, and be eligible for re-election at that annual general meeting of the Company.

To ensure a balance of skills, experience and diversity of perspectives appropriate to the requirements of the business of the Group among members of the Board, the nomination of Directors for appointment or re-election at the annual general meeting were made by the nomination committee of the Board in accordance with the Director Nomination Policy adopted by the Company and the selection criteria as set out in the Board Diversity Policy of the Company (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service).

DIRECTORS' REPORT

The nomination committee of the Board had nominated the retiring Directors to the Board for the Board to make recommendation to the Shareholders for re-election at the annual general meeting, having reviewed the composition of the Board and having regard to the retiring Directors' professional experience, skills, knowledge and/or length of service, their commitment to their respective roles and functions, and their respective contributions brought and continued to be brought to the Group.

The re-election of each of Mr. Gan Jia Yue, Mr. Mao Jian Ming, Moosa, and Ms. Tseng Chin I, was recommended by the nomination committee of the Board, and the Board has accepted the recommendations following a review of their overall contribution and service to the Company including their attendance of Board meetings and general meetings, the level of participation and performance on the Board.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The independent non-executive Directors all have a fixed term of 3-year service and will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Articles of Association.

The Company has received from each of the independent non-executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors in the securities of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**"), which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, including interest and short positions which they were deemed or taken to have under such provisions of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") to be notified to the Company and the Stock Exchange were as follows:

(I) Interests and short positions in the shares of the Company

Name of Director	Nature of interests	Number or attributable number of shares *Long position*	*Short position*	Approximate percentage or attributable percentage of shareholding *(%)*
Shares				
Mr. Li Shu Fu *(Note 1)*	Interest in controlled corporations	4,145,918,000	–	41.15
Mr. Li Shu Fu	Personal	23,140,000	–	0.23
Mr. Li Dong Hui, Daniel	Personal	5,853,000	–	0.06
Mr. Gui Sheng Yue	Personal	18,707,000	–	0.19
Mr. Gan Jia Yue	Personal	3,022,200	–	0.03
Mr. Wang Yang	Personal	1,000,000	–	0.01

Note:

1. Proper Glory Holding Inc. ("**Proper Glory**") and its concert parties in aggregate hold interests of 4,145,918,000 shares (excluding those held directly by Mr. Li Shu Fu), representing approximately 41.15% of the total issued share capital of the Company as at 31 December 2024. Proper Glory is a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holding and as to 31.89% by Geely Group Limited.

(II) Interests and short positions in the derivatives of the Company

Name of Director	Nature of interests	Number or attributable number of underlying shares *Long position*	*Short position*	Approximate percentage or attributable percentage of shareholding *(%)*
Share Options/Share Awards				
Mr. Gui Sheng Yue	Personal	13,500,000 *(Note 1)*	–	0.13
Mr. Gui Sheng Yue	Personal	15,000,000 *(Note 2)*	–	0.15
Mr. Li Dong Hui, Daniel	Personal	14,000,000 *(Note 1)*	–	0.14
Mr. Li Dong Hui, Daniel	Personal	9,000,000 *(Note 2)*	–	0.09
Ms. Wei Mei	Personal	7,000,000 *(Note 1)*	–	0.07
Ms. Wei Mei	Personal	3,500,000 *(Note 2)*	–	0.03
Mr. Gan Jia Yue	Personal	8,000,000 *(Note 1)*	–	0.08
Mr. Gan Jia Yue	Personal	15,000,000 *(Note 2)*	–	0.15
Mr. Gan Jia Yue	Personal	1,400,000 *(Note 4)*	–	0.01
Mr. Mao Jian Ming, Moosa	Personal	3,000,000 *(Note 3)*	–	0.03

Notes:

(1) The interest relates to share options granted on 15 January 2021 by the Company to the Directors. The share options are exercisable at a subscription price of HK$32.70 for each Share during the period from 15 January 2023 to 14 January 2028. The percentage of shareholding is calculated on the basis that (i) the options are fully exercised; and (ii) the total number of issued share capital of the Company when the options are exercised is the same as that as at 31 December 2024.

(2) The interest relates to share options granted on 22 November 2023 by the Company to the Directors. The share options are exercisable at a subscription price of HK$9.56 for each Share during the period from 22 November 2024 to 21 November 2031. The percentage of shareholding is calculated on the basis that (i) the options are fully exercised; and (ii) the total number of issued share capital of the Company when the options are exercised is the same as that as at 31 December 2024.

(3) The interest relates to share options granted on 17 July 2024 by the Company to the Director. The share options are exercisable at a subscription price of HK$9.56 for each Share during the period from 17 July 2025 to 16 July 2032. The percentage of shareholding is calculated on the basis that (i) the options are fully exercised; and (ii) the total number of issued share capital of the Company when the options are exercised is the same as that as at 31 December 2024.

(4) The interest relates to the restricted share awards of the Company (which were unvested share awards granted under the share award scheme of the Company adopted on 30 August 2021), representing 0.01% of the issued share capital of the Company as at 31 December 2024.

(III) Interests and short positions in the securities of the associated corporations of the Company

Name of Director	Name of the associated corporations	Number of shares/amount of contribution to the registered capital in the associated corporations		Approximate percentage of shareholding
		Long position	*Short position*	*(%)*
Mr. Li Shu Fu	Proper Glory Holding Inc.	998,929 *(Note 1)*	–	99.89
Mr. Li Shu Fu	Geely Group Limited	50,000	–	100
Mr. Li Shu Fu	Zhejiang Geely Holding Group Company Limited	RMB938,021,000 *(Note 2)*	–	91.07
Mr. Li Shu Fu	Zhejiang Geely Automobile Company Limited	RMB2,859,000,000 *(Note 3)*	–	100
Mr. Li Shu Fu	Geely Automobile Group Company Limited	RMB900,000,000 *(Note 4)*	–	100

Name of Director	Name of the associated corporations	Number of shares/amount of contribution to the registered capital in the associated corporations Long position	Short position	Approximate percentage of shareholding (%)
Mr. Li Shu Fu	Zhejiang Geely Maple Automobile Company Limited	RMB240,000,000 *(Note 5)*	–	100
Mr. Li Shu Fu	Zhejiang Jirun Automobile Company Limited	US$7,900,000 *(Note 6)*	–	1
Mr. Li Shu Fu	ZEEKR Intelligent Technology Holding Limited	282,000,000 *(Note 7)*	–	10.61
Mr. Li Dong Hui, Daniel	ZEEKR Intelligent Technology Holding Limited	20,000,000 *(Note 8)*	–	0.75
Mr. Gui Sheng Yue	ZEEKR Intelligent Technology Holding Limited	10,000,000 *(Note 9)*	–	0.38
Ms. Wei Mei	ZEEKR Intelligent Technology Holding Limited	5,800,000 *(Note 10)*	–	0.22
Mr. Gan Jia Yue	ZEEKR Intelligent Technology Holding Limited	4,350,000 *(Note 11)*	–	0.16

Notes:

(1) Proper Glory Holding Inc. ("**Proper Glory**") is a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Zhejiang Geely Holding Group Company Limited ("**Geely Holding**") and as to 31.89% by Geely Group Limited. Geely Group Limited is a limited liability company incorporated in the British Virgin Islands and is beneficially wholly-owned by Mr. Li Shu Fu. Geely Holding is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(2) Geely Holding is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(3) Zhejiang Geely Automobile Company Limited ("**Zhejiang Geely**") is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(4) Geely Automobile Group Company Limited ("**Geely Automobile Group**") is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(5) Zhejiang Geely Maple Automobile Company Limited ("**Zhejiang Maple**") is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(6) Zhejiang Jirun Automobile Company Limited ("**Jirun Automobile**") is established in the PRC and is 1%-owned by Zhejiang Geely.

(7) ZEEKR Intelligent Technology Holding Limited is a limited liability company incorporated in the Cayman Islands and is beneficially 10.61%-owned by Mr. Li Shu Fu and his associate.

(8) ZEEKR Intelligent Technology Holding Limited is a limited liability company incorporated in the Cayman Islands and is beneficially 0.75%-owned by Mr. Li Dong Hui, Daniel, an executive Director, and his associate.

(9) ZEEKR Intelligent Technology Holding Limited is a limited liability company incorporated in the Cayman Islands and is beneficially 0.38%-owned by Mr. Gui Sheng Yue, an executive Director, and his associate.

(10) ZEEKR Intelligent Technology Holding Limited is a limited liability company incorporated in the Cayman Islands and is beneficially 0.22%-owned by Ms. Wei Mei, an executive Director, and her associate.

(11) ZEEKR Intelligent Technology Holding Limited is a limited liability company incorporated in the Cayman Islands and is beneficially 0.16%-owned by Mr. Gan Jia Yue, an executive Director, and his associate.

Save as disclosed above, as at 31 December 2024, none of the Directors, the chief executives of the Company, nor their associates had or were deemed to have any interests or short positions in the Shares, underlying Shares, or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV and the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of listed issuers contained in the Listing Rules.

INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF OTHER PERSONS

As at 31 December 2024, according to the register of interests maintained by the Company pursuant to section 336 of the SFO and so far as is known to the Directors or the chief executives of the Company, the persons, other than the Directors or the chief executives of the Company, who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other members of the Group, and the amount of each of such persons' interests in such securities, together with any options in respect of such capital, were as follows:

Substantial shareholders (as defined in the SFO)

Name	Nature of interests	Number of shares held *Long position*	*Short position*	Approximate percentage of shareholding *(%)*
Proper Glory *(Note 1)*	Beneficial owner	2,542,535,000	–	25.24
Geely Holding *(Note 1)*	Interest in controlled corporations	3,688,103,000	–	36.61
	Beneficial owner	261,318,000	–	2.59
Geely Group Limited *(Note 1)*	Beneficial owner	196,497,000	–	1.95
Geely Automobile Group *(Note 2)*	Interest in controlled corporations	20,154,000	–	0.20
	Beneficial owner	776,408,000	–	7.71
Zhejiang Geely *(Note 3)*	Beneficial owner	20,154,000	–	0.20

Notes:

(1) Proper Glory is a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holding and as to 31.89% by Geely Group Limited. Geely Group Limited is a limited liability company incorporated in the British Virgin Islands and is beneficially wholly-owned by Mr. Li Shu Fu. Geely Holding is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(2) Geely Automobile Group is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

(3) Zhejiang Geely is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li Shu Fu and his associate.

DIRECTORS' REPORT

Mr. Li Shu Fu is a director of each of Proper Glory, Geely Holding, Geely Automobile Group and Geely Group Limited. Mr. Li Dong Hui, Daniel is a director of each of Geely Holding, Zhejiang Geely and Geely Automobile Group. Mr. Gan Jia Yue is a director of Zhejiang Geely and Geely Automobile Group.

Save as disclosed above, as at 31 December 2024, the directors and the chief executives of the Company are not aware of any other person (other than the directors and the chief executives of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and of any other member of the Group.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the year or subsisting at the end of the year are set out below:

SHARE OPTIONS

2012 Option Scheme

The Company adopted a share option scheme on 18 May 2012 (the "**2012 Option Scheme**"). Particulars of the 2012 Option Scheme and the related accounting policy are set out in notes 38 and 4(p) to the consolidated financial statements, respectively.

The 2012 Option Scheme has a term of ten years and expired on 18 May 2022. While options granted under the 2012 Option Scheme shall remain valid, no further options may be granted under the 2012 Option Scheme upon its expiry. There were 502,600,000 granted options under the 2012 Option Scheme remain outstanding as at 31 December 2024.

2023 Share Option Scheme

On 28 April 2023, the Company's shareholders approved the 2023 share option scheme (the "**2023 Share Option Scheme**") at the extraordinary general meeting. Details of the 2023 Share Option Scheme and the related accounting policy are set out in notes 38 and 4(p) to the consolidated financial statements, respectively.

DIRECTORS' REPORT

Details of the share options and share awards granted to each participant or category of participants involving new Shares under the 2012 Option Scheme, the 2023 Share Option Scheme and the Company's share award scheme ("**Share Award Scheme**") for the year are as follows:

	Date of grant	Vesting period	Exercise period From	Exercise period To	Exercise/ purchase price	Outstanding options/ unvested share awards as at 1.1.2024	Granted during the year	Share options exercised/ share awards vested during the year	Reallocated upon resignation or retirement during the year	Administrated during the year (Note 6)	Lapsed during the year	Outstanding options/ unvested share awards as at 31.12.2024	Price of share prior to the grant date of share options and share awards during the year	Price of share prior to the exercise/ vesting date of share options and share awards during the year (Note 7)
					HK$								*HK$*	*HK$*
Directors and their associates														
Mr. An Cong Hui														
– Share options														
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	22,000,000	–	–	(22,000,000)	–	–	–	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	9,000,000	–	–	(9,000,000)	–	–	–	–	–
Mr. Ang Siu Lun, Lawrence														
– Share options	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	3,000,000	–	–	(3,000,000)	–	–	–	–	–
Mr. Gan Jia Yue														
– Share options														
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	8,000,000	–	–	–	–	–	8,000,000	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	15,000,000	–	–	–	–	–	15,000,000	–	–
– Share awards	30-08-21	(Note 3)	Not applicable		0.02	2,800,000	–	–	–	–	(1,400,000)	1,400,000	–	–
Mr. Gui Sheng Yue														
– Share options														
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	13,500,000	–	–	–	–	–	13,500,000	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	15,000,000	–	–	–	–	–	15,000,000	–	–

DIRECTORS' REPORT

	Date of grant	Vesting period	Exercise period		Exercise/ purchase price	Outstanding options/ unvested share awards as at 1.1.2024	Granted during the year	Share options exercised/ share awards vested during the year	Reallocated upon resignation or retirement during the year	Administrated during the year (Note 6)	Lapsed during the year	Outstanding options/ unvested share awards as at 31.12.2024	Price of share prior to the grant date of share options and share awards during the year	Price of share prior to the exercise/ vesting date of share options and share awards during the year (Note 7)
			From	To	HK$								HK$	HK$
Mr. Li Dong Hui, Daniel														
– Share options														
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	14,000,000	–	–	–	–	–	14,000,000	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	9,000,000	–	–	–	–	–	9,000,000	–	–
Ms. Wei Mei														
– Share options														
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	7,000,000	–	–	–	–	–	7,000,000	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	3,500,000	–	–	–	–	–	3,500,000	–	–
Mr. Mao Jian Ming, Mooosa														
– Share options	17-07-24	(Note 4)	17-07-25	16-07-32	9.56	–	3,000,000	–	–	–	–	3,000,000	8.21	–
Other employee participants														
– Share options														
– *Tranche 1*	14-01-20	(Note 5)	14-01-21	13-01-25	16.04	790,000	–	–	–	–	–	790,000	–	–
– *Tranche 2*	15-01-21	(Note 1)	15-01-23	14-01-28	32.7	455,390,000	–	–	25,000,000	–	(21,080,000)	459,310,000	–	–
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	458,780,000	–	(4,840,500)	9,000,000	–	(17,040,000)	445,899,500	–	14.59
– *Tranche 4*	17-07-24	(Note 4)	17-07-25	16-07-32	9.56	–	21,860,000	–	–	–	(1,800,000)	20,060,000	8.21	–
– Share awards	30-08-21	(Note 3)	Not applicable		0.02	68,033,500	–	(6,137,400)	–	7,500	(29,524,600)	32,379,000	–	8.63
Other related entity participants														
– Share options														
– *Tranche 3*	22-11-23	(Note 2)	22-11-24	21-11-31	9.56	68,150,000	–	(649,000)	–	–	(3,300,500)	64,200,500	–	14.36
– *Tranche 4*	17-07-24	(Note 4)	17-07-25	16-07-32	9.56	–	3,650,000	–	–	–	–	3,650,000	8.21	–

DIRECTORS' REPORT

Note 1: Such share options will be vested in tranches of 20% each commencing from the second anniversary date following the date of grant for 5 years and could be exercised until the expiry of these share options on 14 January 2028. As at 31 December 2024, 301,560,000 share options were unvested.

Note 2: Such share options will be vested in tranches of 15% (or 10% in case of the seventh anniversary date following the date of grant) each commencing from the first anniversary date following the date of grant for 7 years and could be exercised until the expiry of these share options on 21 November 2031. As at 31 December 2024, 469,710,000 share options were unvested.

Note 3: Such share awards would be vested in tranches of 25% each on each anniversary date following the date of grant for four years.

Note 4: Such share options will be vested in tranches of 15% (or 10% in case of the seventh anniversary date following the date of grant) each commencing from the first anniversary date following the date of grant for 7 years and could be exercised until the expiry of these share options on 16 July 2032. As at 31 December 2024, all these share options were unvested.

Note 5: Such share options would be vested in tranches of 25% each on each anniversary date following the date of grant for four years and could be exercised until the expiry of these share options on 13 January 2025. As at 31 December 2024, all these share options were vested.

Note 6: Such share awards were retained and held by BOCI Trustee (Hong Kong) Limited, a professional and independent trustee appointed by the Company, for administration purpose.

Note 7: The stated price was the weighted average closing price of the ordinary shares immediately before the date on which the share options were exercised and share awards were vested.

Note 8: No share option or share award has been granted to service provider(s) (as defined under Chapter 17 of the Listing Rules).

SHARE AWARDS

Share Award Scheme of the Company

Particulars of the Share Award Scheme and the related accounting policy are set out in notes 38 and 4(p) to the consolidated financial statements, respectively.

The Company has adopted the Share Award Scheme pursuant to resolutions passed at the Board meeting of the Company held on 30 August 2021 for the purposes of attracting and retaining the high calibre employees whose contributions will be beneficial to the growth and development of the Group. Details of the Share Award Scheme were set out in the announcement of the Company dated 30 August 2021.

The maximum number of Shares which could be granted under the Share Award Scheme is 350,000,000, representing approximately 3.47% of the total number of issued shares of the Company as at the date of this annual report, which could be satisfied by way of new shares to be issued or existing shares to be purchased from the secondary market.

Following the adoption of the Share Award Scheme, the Company resolved to award an aggregate of 167,022,000 ordinary shares to 10,884 selected participants by way of issue and allotment of new Shares under the general mandate to issue Shares granted by its Shareholders to the Directors at the annual general meeting held on 24 May 2021. As at 31 December 2024, the number of Shares available for future grant under the Share Award Scheme was 267,555,257, representing 2.66% of the total issued share capital of the Company as at the date of this report.

DIRECTORS' REPORT

Unless approved by the Company's Shareholders in a general meeting, the maximum number of Shares granted or cumulatively granted to a selected participant at any point in time shall not exceed 1% of the Company's issued share capital on the adoption date of the Share Award Scheme.

The Shares being granted with respect to a selected participant will vest in 4 tranches of 25% each year from 30 August 2022 to 30 August 2025, on the conditions that the employees will remain in service and meet the performance requirements, including but not limited to meeting the company-level performance target and the selected participant's level performance target. Subject to the satisfaction of the vesting conditions, such new Shares will be transferred to the selected participants at the nominal value of HK$0.02 per Share on the vesting date. The selected participants are required to pay the nominal value for the award Shares.

The selected participants are employees of the Company and its affiliates, and they are not connected persons of the Company. For the avoidance of doubt, Mr. Gan Jia Yue has subsequently become a connected person of the Company after his appointment as an executive Director of the Company since 25 July 2022.

As at 31 December 2024, the Company has appointed a professional and independent trustee, BOCI Trustee (Hong Kong) Limited ("**Trustee**"), to assist with the administration and vesting of award Shares granted pursuant to the Share Award Scheme.

The Trustee will not exercise the voting rights in respect of any ordinary shares held under the trust. The award Shares will be allotted and issued to the Trustee who will hold the award Shares in trust in accordance with the trust deed for the selected participants.

Movement in the number of award Shares during the year are as follows:

	2024
Balance at 1 January	**70,841,000**
Granted	**–**
Vested	**(6,137,400)**
Lapsed	**(30,924,600)**
Balance at 31 December	**33,779,000**

DIRECTORS' REPORT

The Share Award Scheme will be valid and effective from the adoption date (i.e., 30 August 2021) and will terminate on the earlier of (i) the tenth (10th) anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board, provided that such termination will not affect any subsisting rights of any selected participant under the Share Award Scheme.

Number of the share options and share awards available for grant as at 1 January 2024 and 31 December 2024 are as follows:

	As at 1 January 2024	As at 31 December 2024
Share options under the 2023 Share Option Scheme		
Under the mandate limit	**(Note A)**	**(Note B)**
Under the sub-limit for service provider(s)	**(Note C)**	**(Note C)**
Share awards under the Share Award Scheme		
Under the mandate limit	**(Note A)**	**(Note B)**
Under the sub-limit for service provider(s)	**(Note C)**	**(Note C)**

Note A: The aggregate of share options and share awards to be granted under the mandate limit should not exceed 427,267,378. In addition, the share awards to be granted under the mandate limit should not exceed 236,630,657.

Note B: The aggregate of share options and share awards to be granted under the mandate limit should not exceed 420,897,878. In addition, the share awards to be granted under the mandate limit should not exceed 267,555,257.

Note C: The aggregate of share options and share awards to be granted under the sub-limit for service provider(s) should not exceed 100,569,737.

For the year ended 31 December 2024, 28,510,000 share options were granted. As at 31 December 2024, the number of shares that may be issued in respect of share options and share awards granted under all share schemes of the Company was 1,115,689,000, representing approximately 11.1% of the weighted average number of issued ordinary shares of the Company.

Share award scheme of ZEEKR Intelligent Technology Holding Limited ("ZEEKR")

On 20 August 2021, ZEEKR also adopted a share award scheme (the "**ZEEKR Share Award Scheme**"). For the avoidance of doubt, ZEEKR is not a principal subsidiary as defined under Chapter 17 of the Listing Rules. The purposes of the ZEEKR Share Award Scheme are to encourage the selected participants to continuously make greater contributions to the long-term growth of the ZEEKR and its subsidiaries ("**ZEEKR Group**") and thereby enhancing the value of the Company for the benefit of the shareholders, and to attract and retain high calibre employees whose contributions will be beneficial to the growth and development of the ZEEKR Group. Details of the ZEEKR Share Award Scheme were set out in the announcement of the Company dated 20 August 2021.

The maximum number of ordinary shares of ZEEKR ("**ZEEKR Shares**") which could be granted under the ZEEKR Share Award Scheme is 150,000,000 ZEEKR Shares by way of new ZEEKR Shares.

Upon the adoption of the ZEEKR Share Award Scheme, ZEEKR granted 56,560,400 ordinary shares ("**ZEEKR Award Shares**") to 3,393 selected participants in 2021. Additional grants included 37,957,156 ZEEKR Award Shares to 7,761 selected participants in 2022, 17,955,300 ZEEKR Award Shares to 4,427 selected participants in 2023, and 31,771,808 ZEEKR Award Shares to 6,298 selected participants in 2024. Except for four (4) independent directors of ZEEKR (one of whom resigned on 18 October 2024), all other selected participants are not connected persons of the Company. All selected participants received shares under the ZEEKR Share Award Scheme through the reservation and future issuance of new ordinary shares.

The vesting schedule of the ZEEKR Award Shares is generally subject to both the initial public offering condition and the service-and-performance-based condition. To further enhance the compliance of market operations involving the vesting of ZEEKR Award Shares, starting from 2025, the vesting date of ZEEKR Award Shares will be changed from April 15 to May 25. If the vesting conditions are met, the ZEEKR Award Shares granted will vest in four batches as follows: (i) the first batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the first May 25 following the grant date (or on the second May 25 if the period between the first May 25 and the grant date is less than six months); (ii) the second batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the second May 25 after the grant date (or on the third May 25 if the period between the first May 25 and the grant date is less than six months); (iii) the third batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the third May 25 after the grant date (or on the fourth May 25 if the period between the first May 25 and the grant date is less than six months); and (iv) the fourth batch (up to a maximum of 25% of the ZEEKR Award Shares granted), if applicable, will vest on the fourth May 25 after the grant date (or on the fifth May 25 if the period between the first May 25 and the grant date is less than six months).

The selected participants are required to pay the nominal value for the ZEEKR Award Shares.

As at 31 December 2024, the total number of ZEEKR Shares which were available for future grant under the ZEEKR Share Award Scheme was 39,810,692, representing 1.50% of the issued shares capital of ZEEKR (assuming 150,000,000 ordinary shares of ZEEKR reserved under ZEEKR Share Award Scheme have been fully issued) as at the date of this report.

Movement in the number of ZEEKR Award Shares during the year are as follows:

	2024
Balance at 1 January	**93,011,731**
Granted	**31,771,808**
Vested	**(45,555,414)**
Lapsed	**(14,594,231)**
Balance at 31 December	**64,633,894**

The ZEEKR Share Award Scheme is valid and effective from the adoption date (i.e., 20 August 2021) and will terminate on the earlier of (i) the tenth (10th) anniversary date of the adoption date; and (ii) such date of early termination as determined by the board of ZEEKR provided that such termination will not affect any subsisting rights of any selected participant under the ZEEKR Share Award Scheme.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share options and share awards disclosed above, at no time during the year was the Company, its holding companies or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

PERMITTED INDEMNITY PROVISION

Subject to the Companies Ordinance (Cap. 622) in Hong Kong and the Companies Law of the Cayman Islands, every Director is entitled under the Company's Articles of Association to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he or she may sustain or incur in the execution or discharge of his or her duties, the exercise of his or her powers, or otherwise in relation to or in connection with his or her duties, powers or office. To the extent permitted by law, the Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of companies in the Group during the year and up to the date of this report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Details of transactions between the Group and other companies under the control of Mr. Li Shu Fu during the year are set out in note 39 to the consolidated financial statements.

Save as disclosed above and contracts amongst group companies, no other transaction, arrangement or contract of significance to which the Company, any of its holding companies, its subsidiaries, or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this report and the section headed "Connected Transactions & Continuing Connected Transactions" and note 39 to the consolidated financial statements, there was no other contract of significance entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of its subsidiaries during the year ended 31 December 2024, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries was entered into during the year ended 31 December 2024.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2024.

CONNECTED TRANSACTIONS & CONTINUING CONNECTED TRANSACTIONS

During the year, the Group entered into certain related party transactions which also constitute connected transactions under Chapter 14A of the Listing Rules. Save as disclosed below, other related party transactions set out in note 39 to the consolidated financial statements are not connected transactions under the Listing Rules. All the connected transactions and continuing connected transactions with disclosure requirements under the Listing Rules during the year were listed below and these transactions were also set out in note 39 to the consolidated financial statements. The directors of the Company confirm they have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

Disposal of Livan Automotive

Pursuant to the equity transfer agreement dated 20 February 2024, Zhejiang Jirun Automobile Company Limited ("**Jirun Automobile**"), an indirect 99% owned subsidiary of the Company, agreed to dispose of, and Zhejiang Geely Qizheng Automotive Technology Co., Ltd. ("**Geely Qizheng**") agreed to purchase, a 45% equity interest in Chongqing Livan Automotive Technology Co., Ltd. ("**Livan Automotive**") for a cash consideration of RMB504 million.

DIRECTORS' REPORT

As at the date of the equity transfer agreement, Geely Qizheng was ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li was a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

Subscription for ZEEKR IPO

Pursuant to ZEEKR's initial public offering ("**ZEEKR IPO**") in May 2024, the Company subscribed for and was allocated 12,900,952 ADSs by the underwriters in the ZEEKR IPO (equivalent to approximately US$271 million).

As at the date of the ZEEKR IPO, ZEEKR was owned approximately 11.4% (on a fully-diluted basis and assuming the over-allotment option was not exercised) by Geely Holding. Geely Holding was ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li was a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

Partial disposal of 3.3% interest in the JV Company

Pursuant to the sales and purchase agreement dated 28 June 2024, entered into between the Company, Renault S.A.S. (an independent third party) ("**Renault**"), Geely Holding, GHPT Limited, Aurobay Holding Limited (collectively, the "**Sellers**"), and Aramco Asia Singapore Pte. Ltd. (the "**Buyer**"), the Sellers agreed to sell in aggregate, and the Buyer agreed to purchase, 600,000,000 ordinary shares of EUR1.00 each in the capital of Horse Powertrain Limited (the "**JV Company**"), representing 10% of the JV Company's fully diluted share capital, at an initial base consideration of EUR740,000,000, subject to further adjustments.

As at the date of the sales and purchase agreement, Geely Holding and GHPT Limited were ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li was a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

Acquisition of Ningbo Passenger Vehicle

Pursuant to the equity transfer agreement dated 21 October 2024, Zhejiang Geely Passenger Vehicle Co., Ltd. ("**Zhejiang Passenger Vehicle**"), an indirect wholly-owned subsidiary of the Company, agreed to acquire, and Geely Holding agreed to sell, the entire equity interest in Ningbo Geely Passenger Vehicle Manufacturing Co., Ltd. ("**Ningbo Passenger Vehicle**") for a cash consideration of RMB123.689 million.

As at the date of the equity transfer agreement, Geely Holding was ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li was a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

Acquisition of 50% interest in LYNK & CO by ZEEKR

Pursuant to the equity transfer agreement dated 14 November 2024, Zhejiang ZEEKR Intelligent Technology Company Limited ("**Zhejiang ZEEKR**"), an indirect wholly-owned subsidiary of ZEEKR, agreed to acquire, and Geely Holding and Volvo Cars (China) Investment Co., Ltd. ("**VCI**") agreed to sell, an aggregate 50% interest in LYNK & CO Automotive Technology Co., Ltd. ("**LYNK & CO**") for a total cash consideration of RMB9 billion, together with interest accrued during the locked box period.

DIRECTORS' REPORT

Subscription of increased capital in LYNK & CO by ZEEKR

Pursuant to the capital injection agreement dated 14 November 2024, Zhejiang ZEEKR agreed to subscribe and purchase, and LYNK & CO agreed to issue and sell, approximately 2% of the total enlarged registered capital of LYNK & CO for a consideration of RMB367,346,940.

As at the date of the equity transfer agreement and capital injection agreement, ZEEKR was owned approximately 11.3% (on a fully diluted basis) by Geely Holding. Geely Holding was ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li was a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

Acquisition of additional interest in ZEEKR

Pursuant to the sales and purchase agreement dated 14 November 2024, Luckview Group Limited ("**Luckview**"), a wholly-owned subsidiary of the Company, agreed to acquire, and Geely International (Hong Kong) Limited ("**GIHK**") agreed to sell, 300,000,000 ordinary shares of ZEEKR for a cash consideration of US$806,100,000.

As at the date of the sales and purchase agreement, GIHK is an indirect wholly-owned subsidiary of Geely Holding. Geely Holding is ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Mr. Li is a substantial shareholder of the Company, holding approximately 41% of the issued share capital of the Company.

CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2024, the Group entered into certain transactions with the following connected persons, which constitute its continuing connected transactions ("**CCTs**") under the Listing Rules:

Name	Connected relationship as at 31 December 2024	Numeric point below for CCTs
Geely Holding	It was ultimately beneficially wholly-owned by Mr. Li Shu Fu, who was an executive director and a substantial shareholder of the Company, and his associate.	1, 3, 6, 11, 12, 13, 14, 15, 16, 17, 19 & 20
Volvo Car Distribution (Shanghai) Co., Ltd. or "**VCDC**"	It was an indirect non wholly-owned subsidiary of Geely Holding.	2
Volvo Car (APAC) Investment Holding Co., Ltd. or "**VCIC**"	It was an indirect non wholly-owned subsidiary of Geely Holding.	2
LYNK & CO Automotive Technology Co., Ltd. or "**LYNK & CO**"	It was owned as to 50% by an indirect wholly-owned subsidiary of the Company, as to 20% by Geely Holding and as to 30% by an indirect non-wholly-owned subsidiary of Geely Holding, respectively.	3, 11, 12, 13, 14, 15 & 16
Aurobay Technology Co., Ltd. or "**Aurobay Technology**"	It was indirectly owned 29.7% by the Group and 15.3% by Mr. Li Shu Fu and his associate. According to Rule 14A.14 of the Listing Rules, it was an associate of Mr. Li Shu Fu and a connected person of the Company.	4, 15 & 16
Geely Changxing Automatic Transmission Co., Ltd. or "**Geely Changxing**"	It was indirectly owned 29.7% by the Group and 15.3% by Mr. Li Shu Fu and his associate. According to Rule 14A.14 of the Listing Rules, it was an associate of Mr. Li Shu Fu and a connected person of the Company.	4, 15 & 16
LYNK & CO Automotive Sales Company Limited or "**LYNK & CO Sales**"	It was a wholly-owned subsidiary of LYNK & CO.	5
ZEEKR Intelligent Technology Holding Limited or "**ZEEKR**"	It was a connected subsidiary of the Company.	7, 9, 11, 12, 13, 14, 15, 16 & 18
smart Automobile Sales (Nanning) Co., Limited or "**smart Sales**"	It was indirectly owned as to 50% by Geely Holding and directly owned as to 50% by an independent third party.	8
Wuhan Lotus Automobile Sales Company Limited or "**Lotus Sales**"	It was indirectly owned as to more than 30% by Mr. Li Shu Fu and his associate.	9
Chongqing Livan Automotive Sales Co., Ltd. or "**Livan Sales**"	It was indirectly owned as to more than 30% by Mr. Li Shu Fu and his associate.	10

DIRECTORS' REPORT

Name	Connected relationship as at 31 December 2024	Numeric point below for CCTs
Zhejiang LEVC New Energy Automobile Co., Ltd. or "**LEVC**"	It was owned as to 50% by Geely Holding and 50% by Geely Group (Ningbo) Co., Ltd., which was in turn wholly-owned by Mr. Li Shu Fu and his associate.	11 & 12
Geely Technology Group Company Limited or "**Geely Technology**"	It was indirectly owned as to more than 85% by Mr. Li Shu Fu and his associate.	11, 12, 15 & 16
Zhejiang YoeNing Technology Group Co., Ltd. or "**YoeNing Technology**"	It was indirectly owned as to more than 90% by Mr. Li Shu Fu and his associate.	11, 12, 15 & 16
Wuxi InfiMotion Technology Co., Ltd. or "**InfiMotion**"	It was indirectly owned as to more than 30% by Mr. Li Shu Fu and his associate.	11 & 12
Shandong Geely Sunwoda Power Battery Co., Ltd. or "**Geely Sunwoda**"	It was indirectly owned as to 41.5% by the Group and as to 28.5% by Mr. Li Shu Fu and his associate. According to Rule 14A.14 of the Listing Rules, it was an associate of Mr. Li Shu Fu and a connected person of the Company.	11 & 12
Wuhan Lotus Technology Company Limited or "**Lotus Technology**"	It was indirectly owned as to more than 30% by Mr. Li Shu Fu and his associate.	13, 14, 15 & 16
Polestar Performance AB or "**Polestar AB**"	It was indirectly owned as to 48.3% by Geely Holding and as to 39.2% by Mr. Li Shu Fu and his associate.	13 & 14
Polestar Automotive China Distribution Co., Ltd. or "**Polestar China**"	It was indirectly owned as to 48.3% by Geely Holding and as to 39.2% by Mr. Li Shu Fu and his associate.	13 & 14
JIDU Auto Inc. or "**JIDU**"	It was owned as to more than 30% by Mr.Li Shu Fu and his associate.	13, 14, 15 & 16
smart Automobile Co., Ltd. or "**smart**"	It was owned as to more than 30% by Mr. Li Shu Fu and his associate.	15 & 16
Tianjin Chunqing Technology Co., Ltd. or "**Tianjin Chunqing**"	It was ultimately owned as to more than 80% by Mr. Li Shu Fu and his associates.	15 & 16
Farizon Commercial Vehicle Technology Co., Ltd. or "**Farizon Technology**"	It was ultimately owned as to more than 70% by Mr. Li Shu Fu and his associates.	15, 16 & 21
Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. or "**Commercial Vehicle**"	It was ultimately wholly-owned by Mr. Li Shu Fu and his associates.	15 & 16
Chongqing Livan Automotive Technology Co., Ltd. or "**Livan Automotive**"	It was indirectly owned as to more than 30% by Mr. Li Shu Fu and his associate.	15, 16 & 21
Volvo Car (China) Investment Co., Ltd. or "**VCI**"	It was an indirect non wholly-owned subsidiary of Geely Holding.	21

DIRECTORS' REPORT

1. **Services agreement and the supplemental services agreement both between the Company and Geely Holding (the services agreement and the supplemental services agreement both have an effective term until 31 December 2024)**

   - ***Sales of complete knock-down kits ("CKDs") from the Group to the Geely Holding Group***

     Pursuant to the services agreement dated 15 October 2021 and the supplemental services agreement dated 9 September 2022, the Group agreed to supply to the Geely Holding Group the CKDs in accordance with the product specifications set out in the services agreement (as supplemented by the supplemental services agreement), with an aggregate largest annual cap of RMB163,930 million for the three years ended 31 December 2024.

     The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB109,806.1 million for sales of CKDs which did not exceed the annual cap of RMB163,930 million for sales of CKDs for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

   - ***Sales of complete build-up units ("CBUs") from the Geely Holding Group to the Group***

     Pursuant to the services agreement dated 15 October 2021 and the supplemental services agreement dated 9 September 2022, the Geely Holding Group agreed to sell to the Group the CBUs, with the aggregate largest annual cap of RMB169,577 million for the three years ended 31 December 2024.

     The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB116,288.3 million for purchases of the CBUs which did not exceed the annual caps of RMB169,577 million for purchases of CBUs for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

2. The Volvo finance cooperation agreements amongst Genius AFC, VCDC and VCIC (the Volvo finance cooperation agreements have an effective term until 31 December 2024) (capitalised terms were defined in the circular of the Company dated 16 November 2021)

- ***Wholesale facility agreements between Genius AFC and Volvo wholesale dealers (the wholesale facility agreements have an effective term until 31 December 2024)***

  Pursuant to the wholesale facility agreement dated 11 December 2015, the Company's announcement dated 15 October 2021 and circular dated 16 November 2021, Genius AFC, a jointly controlled entity owned as to 75% by the Company, 20% by BNP Paribas Personal Finance and 5% by Cofiplan S.A., will provide vehicles financing to Volvo wholesale dealers to facilitate their purchase of Volvo-branded vehicles, with the largest annual cap being RMB6,883.4 million for the three years ended 31 December 2024.

  The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,449.7 million which, did not exceed the annual cap of RMB6,883.4 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC and Volvo retail customers (the retail loan cooperation agreements have an effective term until 31 December 2024)***

  Pursuant to the retail loan cooperation agreement dated 11 December 2015, the Company's announcement dated 15 October 2021 and circular dated 16 November 2021, dealers of Volvo shall recommend the retail customers to use Genius AFC for obtaining vehicle loans to finance their purchase of Volvo-branded vehicles, with the largest annual cap being RMB10,473.0 million for the three years ended 31 December 2024.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB460.2 million which, did not exceed the annual cap of RMB10,473.0 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

3. Powertrain sales agreement among the Company, LYNK & CO, and Geely Holding (the powertrain sales agreement has an effective term until 31 December 2024)

Pursuant to the powertrain sales agreement dated 15 September 2023, the Group agreed to sell the powertrain products to LYNK & CO and its subsidiaries ("**LYNK & CO Group**") and the Geely Holding Group, with the largest annual cap being RMB1,960.9 million for the year ended 31 December 2024.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,564.2 million which, did not exceed the annual cap of RMB1,960.9 million for the year ended 31 December 2024, as set by the Company.

4. Powertrain purchase agreement among the Company, Aurobay Technology, and Geely Changxing (the powertrain purchase agreement has an effective term until 31 December 2026)

Pursuant to the powertrain sales agreement dated 11 July 2023, the Group agreed to purchase powertrain products from the Aurobay Technology Group and the Geely Changxing Group, with the largest annual cap being RMB25,846.6 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB12,340.5 million which, did not exceed the annual cap of RMB25,070.4 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

5. LYNK & CO finance cooperation agreement between Genius AFC and LYNK & CO Sales (the LYNK & CO finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the circular of the Company dated 8 November 2023)

- ***Wholesale facility agreements between Genius AFC and the LYNK & CO Dealers (as defined in the circular of the Company dated 8 November 2023) (the wholesale facility agreements have an effective term until 31 December 2026)***

  Pursuant to the LYNK & CO finance cooperation agreement dated 15 September 2023, Genius AFC will provide vehicle financing to the LYNK & CO Dealers to facilitate their purchase of LYNK & CO brand vehicles, auto accessories and services, with the largest annual cap being RMB509.8 million for the three years ending 31 December 2026.

DIRECTORS' REPORT

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB288.2 million which, did not exceed the annual cap of RMB332.3 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC and LYNK & CO Dealers (as defined in the circular of the Company dated 8 November 2023) (the retail loan cooperation agreements have an effective term until 31 December 2026)***

  Pursuant to the LYNK & CO finance cooperation agreement dated 15 September 2023, Genius AFC agreed to enter into retail loan cooperation agreements with the LYNK & CO Dealers pursuant to which the LYNK & CO Dealers shall recommend the retail customers to use Genius AFC for the obtaining of vehicle loans to finance their purchase of LYNK & CO brand vehicles, auto accessories and services, with the largest annual cap being RMB6,149.4 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB5,199.1 million which, did not exceed the annual cap of RMB5,467.9 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

6. Geely Holding finance cooperation agreement between Genius AFC and Geely Holding (the Geely Holding finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the circular of the Company dated 8 November 2023)

- ***Wholesale facility agreements between Genius AFC, the Geely Holding Dealers, and the Connected Geely Dealers (both as defined in the circular of the Company dated 8 November 2023) (the wholesale facility agreements have an effective term until 31 December 2026)***

Pursuant to the Geely Holding finance cooperation agreement dated 15 September 2023, Genius AFC will provide vehicle financing to the Geely Holding Dealers and Connected Geely Dealers to facilitate their purchase of Geely Holding-owned brand vehicles, auto accessories and services, with the largest annual cap being RMB142.5 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMBNil which, did not exceed the annual cap of RMB54.5 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC, the Geely Holding Dealers, and the Connected Geely Dealers (both as defined in the circular of the Company dated 8 November 2023) (the retail loan cooperation agreements have an effective term until 31 December 2026)***

Pursuant to the Geely Holding finance cooperation agreement dated 15 September 2023, Genius AFC agreed to provide vehicle financing services to the Geely retail customers to assist them to purchase (a) Geely Holding-owned brand vehicles, auto accessories and services from the Geely Holding Dealers or other sellers; or (b) Geely brand vehicles, auto accessories or services from the Connected Geely Dealers. The largest annual cap under the Geely Holding finance cooperation agreement is RMB1,307.1 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB484.8 million which, did not exceed the annual cap of RMB564.5 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

7. ZEEKR finance cooperation agreement between Genius AFC and ZEEKR (the ZEEKR finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the circular of the Company dated 8 November 2023)

- ***Wholesale facility agreements between Genius AFC and the ZEEKR Dealers (as defined in the circular of the Company dated 8 November 2023) (the wholesale facility agreements have an effective term until 31 December 2026)***

Pursuant to the ZEEKR finance cooperation agreement dated 15 September 2023, Genius AFC will provide vehicle financing to the ZEEKR Dealers to facilitate their purchase of ZEEKR brand vehicles, auto accessories and services, with the largest annual cap being RMB10.0 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMBNil which, did not exceed the annual cap of RMB7.9 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC and ZEEKR Dealers (as defined in the circular of the Company dated 8 November 2023) (the retail loan cooperation agreements have an effective term until 31 December 2026)***

Pursuant to the ZEEKR finance cooperation agreement dated 15 September 2023, Genius AFC agreed to provide vehicle financing services to the ZEEKR retail customers to assist them to purchase ZEEKR brand vehicles, auto accessories and services. The largest annual cap under the ZEEKR finance cooperation agreement is RMB10,322.9 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,180.2 million which, did not exceed the annual cap of RMB5,029.3 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

8. smart finance cooperation agreement between Genius AFC and smart Sales (the smart finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the circular of the Company dated 8 November 2023)

- ***Wholesale facility agreements between Genius AFC and the smart Dealers (as defined in the circular of the Company dated 8 November 2023) (the wholesale facility agreements have an effective term until 31 December 2026)***

  Pursuant to the smart finance cooperation agreement dated 15 September 2023, Genius AFC will provide vehicle financing to the smart Dealers to facilitate their purchase of smart brand vehicles, auto accessories and services, with the largest annual cap being RMB455.0 million for the three years ending 31 December 2026.

DIRECTORS' REPORT

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB35.4 million which, did not exceed the annual cap of RMB165.0 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC and smart Dealers (as defined in the circular of the Company dated 8 November 2023) (the retail loan cooperation agreements have an effective term until 31 December 2026)***

Pursuant to the smart finance cooperation agreement dated 15 September 2023, Genius AFC agreed to provide vehicle financing services to the smart retail customers to assist them to purchase smart brand vehicles, auto accessories and services. The largest annual cap under the smart finance cooperation agreement is RMB4,141.2 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB234.0 million which, did not exceed the annual cap of RMB2,037.0 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

9. Lotus finance cooperation agreement between Genius AFC and Lotus Sales (the Lotus finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the circular of the Company dated 8 November 2023)

- ***Wholesale facility agreements between Genius AFC and the Lotus Dealers (as defined in the circular of the Company dated 8 November 2023) (the wholesale facility agreements have an effective term until 31 December 2026)***

  Pursuant to the Lotus finance cooperation agreement dated 15 September 2023, Genius AFC will provide vehicle financing to the Lotus Dealers to facilitate their purchase of Lotus brand vehicles, auto accessories and services, with the largest annual cap being RMB22.0 million for the three years ending 31 December 2026.

  The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMBNil which, did not exceed the annual cap of RMB22.0 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

- ***Retail loan cooperation agreements between Genius AFC and Lotus Dealers (as defined in the circular of the Company dated 8 November 2023) (the retail loan cooperation agreements have an effective term until 31 December 2026)***

  Pursuant to the Lotus finance cooperation agreement dated 15 September 2023, Genius AFC agreed to provide vehicle financing services to the Lotus retail customers to assist them to purchase Lotus brand vehicles, auto accessories and services. The largest annual cap under the Lotus finance cooperation agreement is RMB1,814.3 million for the three years ending 31 December 2026.

DIRECTORS' REPORT

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB156.7 million which, did not exceed the annual cap of RMB922.7 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

10. Livan finance cooperation agreement between Genius AFC and Livan Sales (the Livan finance cooperation agreement has an effective term until 31 December 2026) (capitalised terms were defined in the announcement of the Company dated 15 August 2024)

Pursuant to the Livan finance cooperation agreement dated 15 August 2024, Genius AFC agreed to provide vehicle financing services to the Livan retail customers to assist them to purchase Livan brand vehicles, auto accessories and services. The largest annual cap under the Livan finance cooperation agreement is RMB220 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB41.9 million which, did not exceed the annual cap of RMB123 million for the year ended 31 December 2024, as set by the Company.

11. Automobile components sales and purchase agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda (the automobile components sales and purchase agreement has an effective term until 31 December 2026)

Pursuant to the automobile components sales and purchase agreement dated 15 August 2024, the Group agreed to sell automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, and the LEVC Group, with the largest annual cap being RMB26,956 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB15,354.1 million which, did not exceed the annual cap of RMB26,956 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

12. Automobile components sales and purchase agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda (the automobile components sales and purchase agreement has an effective term until 31 December 2026)

Pursuant to the automobile components sales and purchase agreement dated 15 August 2024, the Group agreed to purchase automobile components from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and the Geely Sunwoda Group, with the largest annual cap being RMB40,245.7 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB18,998.8 million which, did not exceed the annual cap of RMB31,080.3 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

13. R&D services and technology licensing agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, Lotus Technology, Polestar AB, Polestar China, JIDU, LEVC and smart (the R&D services and technology licensing agreement has an effective term until 31 December 2026)

Pursuant to the R&D services and technology licensing agreement dated 15 September 2023, the Group agreed to provide to the Geely Holding Group, the ZEEKR Group, the LYNK & CO Group, the Lotus Technology Group, the Polestar Group, the JIDU Group, the LEVC Group and the smart Group the R&D and related technological support services, including the R&D for automobiles and key automobile parts, technical verification and testing, technical consultation services, technical support services, technology licensing, etc., with the largest annual cap being RMB12,601.4 million for the three years ending 31 December 2026.

DIRECTORS' REPORT

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB8,844.2 million which, did not exceed the annual cap of RMB12,601.4 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

14. R&D services and technology licensing agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, Lotus Technology, Polestar AB, Polestar China, JIDU, LEVC and smart (the R&D services and technology licensing agreement has an effective term until 31 December 2026)

Pursuant to the R&D services and technology licensing agreement dated 15 September 2023, the Group agreed to procure from the Geely Holding Group and the ZEEKR Group the R&D and related technological support services, including the R&D of the NEV technologies and intelligent drive technologies, technical verification and testing, technical consultation services, technical support services and technology licensing, etc., with the largest annual cap being RMB2,468.7 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,843.0 million which, did not exceed the annual cap of RMB1,891.3 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

15. Operation services agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology (the operation services agreement has an effective term until 31 December 2026)

Pursuant to the operation services agreement dated 15 August 2024, the Group agreed to provide to the Geely Holding Group, the ZEEKR Group, the LYNK & CO Group, the Geely Technology Group, the smart Group, the Farizon Technology Group, the Commercial Vehicle Group, the Tianjin Chunqing Group, the Livan Automotive Group, the Lotus Technology Group, the YoeNing Technology Group, the JIDU Group, the Aurobay Technology Group and the Geely Changxing Group operation services that mainly include, but are not limited to, IT, logistics and warehousing services, supplier quality engineering services, procurement services, back-office support services (including but not limited to accounting services, human resources services, etc.), testing and trial production services, and other services, with the largest annual cap being RMB10,083.2 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB2,048.7 million which, did not exceed the annual cap of RMB3,887.2 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

16. Operation services agreement amongst the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology (the operation services agreement has an effective term until 31 December 2026)

Pursuant to the operation services agreement dated 15 August 2024, the Group agreed to procure from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group operation services that mainly include, but are not limited to, business travel services, IT, back-office support services (including but not limited to marketing and publicity services, legal services, etc.), charging rights services, testing and trial production services, and other services, with the largest annual cap being RMB3,503.0 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,720.9 million which, did not exceed the annual cap of RMB3,286.6 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

DIRECTORS' REPORT

17. CBUs sales agreement and the supplemental CBUs sales agreement both between the Company and Geely Holding (the CBUs sales agreement and the supplemental CBUs sales agreement both have an effective term until 31 December 2024)

Pursuant to the CBUs sales agreement dated 15 October 2021 and the supplemental CBUs sales agreement dated 9 June 2023, the Group agreed to sell to the Geely Holding Group, CBUs and related after-sales parts, components and accessories manufactured by the Group, with the largest annual cap being RMB3,991.9 million for the three years ended 31 December 2024.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB1,008.4 million which, did not exceed the annual cap of RMB3,991.9 million for the year ended 31 December 2024, as set by the Company.

18. CBUs procurement agreement between the Company and ZEEKR (the CBUs procurement agreement has an effective term until 31 December 2026)

Pursuant to the CBUs procurement agreement dated 7 February 2024, the Group agreed to purchase CBUs and related after-sales parts and accessories from the ZEEKR Group for the onward sale to Mexico, with the largest annual cap being RMB3,128.8 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB123.9 million which, did not exceed the annual cap of RMB674.3 million for the year ended 31 December 2024, as set by the Company.

DIRECTORS' REPORT

19. CBUs and CKDs procurement cooperation agreement between the Company and Geely Holding (the CBUs and CKDs procurement cooperation agreement has an effective term until 31 December 2026)

Pursuant to the CBUs and CKDs procurement cooperation agreement dated 15 September 2023, the Group agreed to purchase the CBUs and CKDs that are mainly used for the ZEEKR brand vehicles from the Geely Holding Group, with the largest annual cap being RMB154,897.7 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB47,993.7 million which, did not exceed the annual cap of RMB70,380.0 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

20. CKDs and automobile components sales agreement between the Company and Geely Holding (the CKDs and automobile components sales agreement has an effective term until 31 December 2025)

Pursuant to the CKDs and automobile components sales agreement dated 12 December 2022, the Group agreed to sell CKDs and automobile components in relation to vehicle models including smart-branded vehicles to the Geely Holding Group, CKDs and automobile components under the Geely brand, with the largest annual cap being RMB34,109.6 million for the three years ending 31 December 2025.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB11,063.2 million which, did not exceed the annual cap of RMB34,109.6 million for the year ended 31 December 2024, as approved by the independent shareholders of the Company.

DIRECTORS' REPORT

21. **Integrated services framework agreement between the Company, VCI, Livan Automotive and Farizon Technology (the integrated services framework agreement has an effective term until 31 December 2026)**

Pursuant to the integrated services framework agreement dated 21 October 2024, the Group agreed to provide the integrated services which include processing services, value-added services, testing services, assembly services, installation services, maintenance services, modification services, upgrade services and other services related to the conversion of CKDs into CBUs to the VCI Group, the Livan Group and the Farizon Technology Group, with the largest annual cap being RMB127.413 million for the three years ending 31 December 2026.

The aforesaid continuing connected transactions have been reviewed by the independent non-executive directors of the Company. The independent non-executive directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (d) had been determined to be RMB2.6 million which, did not exceed the annual cap of RMB16.029 million for the year ended 31 December 2024, as set by the Company.

The Company has engaged its auditor to report on the aforesaid continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions set out above.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own Code for Securities Transactions by the Officers (the "**Code**"). All directors of the Company have confirmed their compliance during the year with the required standards set out in the Model Code and the Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

DONATIONS

During the year ended 31 December 2024, the Group donated approximately RMBNil (2023: RMB3,200,000) to support the community activities.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is established by the human resources department based on their merits, qualifications and competence.

The emolument policy for the Directors of the Company is determined by the remuneration committee of the Board, considering the Company's operating results, individual duties, performance and comparable market statistics. The Company has adopted a share option scheme and two share award schemes (including one adopted by its subsidiary, namely ZEEKR) as incentives for Directors, eligible employees, and related entity participants. Details of these schemes are set out in note 38 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases attributable to the Group's five largest suppliers and the largest supplier are 34.3% and 22.8%, respectively, of the Group's total purchases for the year. The percentage of revenue attributable to the Group's five largest customers and the largest customer are 8.6% and 2.7% respectively, of the Group's total revenue for the year.

During the year, the following companies were the Group's largest customer, second-largest customer, third-largest customer, fourth-largest customer, largest supplier, second-largest supplier, fourth-largest supplier, and fifth-largest supplier, respectively: Kaiyue Auto Parts Manufacture (Zhangjiakou) Company Limited (凱悅汽車大部件製造(張家口)有限公司), Valmet Automotive EV Power Ltd., LYNK & CO Automotive Technology Co., Ltd. (領克汽車科技有限公司), Ningbo Geely Automobile R&D Company Limited (寧波吉利汽車研究開發有限公司), Zhejiang Geely Automobile Company Limited (浙江吉利汽車有限公司), Zhejiang Geely Automobile Parts and Components Company Limited (浙江吉利汽車零部件採購有限公司), Quzhou Jidian E-Mobility Technology Company Limited (衢州極電電動汽車技術有限公司), and Geely Changxing Automatic Transmission Company Limited (吉利長興自動變速器有限公司). These related companies are controlled by Mr. Li Shu Fu, who is an executive director and substantial shareholder of the Company, and his associates.

Save as disclosed above, at no time during the year did the Directors, their associates, or Shareholders of the Company, which to the knowledge of the Directors own more than 5% of the Company's share capital, have an interest in any of the Group's five largest customers or suppliers.

DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on pages 035 to 064 of the annual report.

AUDIT COMMITTEE

The Company has an audit committee, which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting processes, risk management and internal controls. The audit committee comprises Ms. Gao Jie, Mr. An Qing Heng, Mr. Wang Yang and Ms. Yu Li Ping, Jennifer, who are the independent non-executive directors of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires at least 25% of the issued share capital of the Company to be held in public hands.

Based on the information available and within the knowledge of the Directors as at the latest practicable date prior to the issue of the annual report, the Company has maintained the prescribed public float as required by the Listing Rules.

COMPETING BUSINESSES

The Group is principally engaged in the research, production, marketing, and sales of vehicles and related automobile components in the PRC. Geely Holding, which is ultimately owned by Mr. Li Shu Fu and his associate, has signed agreements or been in negotiations with local governments in the PRC and other entities to set up production plants for the manufacturing and distribution of Geely-branded vehicles. The potential production and distribution of Geely-branded vehicles by Geely Holding will constitute competing businesses (the "**Competing Businesses**") with those currently engaged by the Group. Mr. Li Shu Fu undertook to the Company (the "**Undertaking**") on 20 November 2008 that upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, he will, and will procure his associates (other than the Group) to, sell to the Group all of the Competing Businesses and related assets, subject to compliance with applicable requirements of the Listing Rules and other applicable laws and regulations upon terms to be mutually agreed as fair and reasonable. In addition, it is required that Mr. Li Shu Fu informs the Group of all potential Competing Businesses carried out by him or his associates.

DIRECTORS' REPORT

In August 2010, Geely Holding completed the acquisition of Volvo Car Corporation, which manufactures Volvo cars, a range of family sedans, wagons and sport utility cars, and has 2,500 dealerships in 100 markets (the "**Volvo Acquisition**"). Although the Group is not a party to the Volvo Acquisition nor in any discussions with Geely Holding to cooperate with Geely Holding in relation to the Volvo Acquisition, Geely Holding has provided an irrevocable undertaking to the Company on 27 March 2010 to the effect that upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, Geely Holding will, and will procure its associates (other than the Group) to sell to the Group all or any part of the businesses and related assets of the Volvo Acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed.

On 10 February 2020, the Company announced that the management of the Company was in preliminary discussions with the management of Volvo Car AB (publ) regarding a possible restructuring through a combination of the businesses of the two companies into a strong global group that could realise synergies in cost structure and new technology development to face the challenges in the future.

On 24 February 2021, the Company announced that it will carry out a series of business combination and collaboration in respect of powertrain, electrification, autonomous driving and operational collaboration with Volvo Car AB (publ) (a company which is an indirect subsidiary of Geely Holding and is the parent company of the Volvo Car Group of companies) maintaining their respective existing independent corporate structures. The Board (including the independent non-executive Directors) is of the view that, through such business combination and collaboration, the major potential competition between the parties has been mitigated. Also, the Geely Holding's Letter of Undertaking made by Geely Holding has now been fully reflected and fulfilled. For details, please refer to the Company's announcement dated 24 February 2021.

On 14 November 2024, Zhejiang ZEEKR (an indirect wholly-owned subsidiary of ZEEKR) conditionally agreed to purchase 20% of the equity interests in LYNK & CO held by Geely Holding, and Zhejiang ZEEKR conditionally agreed to purchase 30% of the equity interests in LYNK & CO held by VCI. In addition, Zhejiang ZEEKR and Ningbo Geely entered into the LYNK & CO capital injection agreement, with Zhejiang ZEEKR conditionally agreeing to subscribe for approximately 2% of the enlarged registered capital of LYNK & CO. Immediately after the completion of the LYNK & CO Acquisition and the LYNK & CO Capital Injection, LYNK & CO will be owned 49% by Ningbo Geely and 51% by Zhejiang ZEEKR. LYNK & CO will become (i) an indirect non wholly-owned subsidiary of ZEEKR; and (ii) an indirect non wholly-owned subsidiary of the Company. The financial results of LYNK & CO will be consolidated into the consolidated financial statements of the ZEEKR Group and the Group, respectively, and LYNK & CO will no longer be in competition with the Group. For details of the LYNK & CO Acquisition and the LYNK & CO Capital Injection, please refer to the Company's announcement dated 14 November 2024 and the Company's circular dated 20 December 2024.

DIRECTORS' REPORT

Despite the fact that the Geely Holding Group is principally engaged in similar business activities as the Group, their respective product offerings do not overlap due to different market positioning and target customer bases of each brand (see below for details). As such, the Competing Businesses of the Geely Holding Group can be defined and delineated from the business of the Group by different product offerings (i.e., high-end versus economy automobiles) and brand names.

Horizontal competition between the Group and Geely Holding, together with corporations controlled by Geely Holding or in which it has an interest as a substantial shareholder

The Group's passenger vehicle products include two brands, namely, Geely and ZEEKR. Except for the Group, Geely Holding controls or has an interest as a substantial shareholder of Volvo, LYNK & CO, Lotus, Polestar, London Electric Vehicle Company, Livan, smart, JIDU and Zhidou, whose principal businesses are engaged in research and development, production and sales of passenger vehicles.

Save as disclosed above, there is no horizontal competition that casts a material and adverse impact on the Group between the Group and other corporations having passenger vehicle brands controlled by Geely Holding or in which it has an interest as a substantial shareholder.

Details are as follows:

The Group owns two major brands: Geely and ZEEKR. Geely brand vehicles are mainly sold in the PRC and exported to developing countries such as those in Asia, Eastern Europe, and the Middle East. Geely brand vehicles are positioned as economical passenger vehicles and include two major product series, namely the China Star series and the Galaxy series. Among them, the China Star series is focused on the fuel vehicle market, while the Galaxy series is positioned as a mass market for mid-to-high-end new energy vehicles. The ZEEKR brand is a new luxury smart pure electric vehicle brand of the Group.

(1) Volvo

Volvo is a luxurious global manufacture corporation based in Northern Europe, with a high-end brand image worldwide for high income group. Brand positioning: personalized, sustainable, safe, and people-oriented. Volvo's sales regions cover Europe, China, the United States and other major global automobile markets.

DIRECTORS' REPORT

Due to the significant differences between the Group and Volvo in terms of product positioning, selling prices and other aspects, CBUs of the Group and Volvo target at different consumer groups. As for the automobile products, in general, consumers' decision over purchasing different brands of vehicle would largely be affected by the group they belong to. For consumers, switching between different groups would be relatively difficult and longer period of time would be needed since it usually requires certain accumulation of financial foundation and changes in their awareness, concepts, etc. over consumption. Therefore, the Group is different from Volvo in terms of the consumer group; the manufacture business operated by each party does not constitute a competitive relationship, and the possibility of mutually or unilaterally transferring business opportunities is small.

Having a history of nearly a century, Volvo brand has long been reputed as the "safest vehicle", shaping a high-end brand image throughout the world. The high-end image and product reputation of Volvo, being a corporation which, together with the Group, is controlled by Geely Holding, play an active and positive role in enhancing the brand image and market recognition of the Group and are beneficial to the enhancement of market awareness of the Group. Also, the Group and Volvo, both being a manufacture corporation focusing on passenger vehicle as its main product, create certain synergy effects in the research and development of related technology of CBUs and prospective technology. Leveraging the synergies in research and development with Volvo, the Group has the opportunity to learn and absorb Volvo's technology accumulated over the years, which in turn will help promote the enhancement of the Company's technological capability.

(2) LYNK & CO

LYNK & CO, being a mid-to-high-end passage vehicle brand established by Ningbo Geely (the Group's wholly-owned subsidiary), Geely Holding and VCI, as a joint venture company, adopts a more premium product positioning than the Group's economy passenger vehicles under Geely brand and the positioning of the luxury smart pure electric vehicles of the ZEEKR brand is higher-end than that of LYNK & CO brand, LYNK & CO targets younger users in pursuit of a stronger sense of fashion and technology as its customer base, representing certain discrepancy with the Group's brand positioning of popularization and target customer base.

As at 31 December 2024, the Group held 50% equity interests in LYNK & CO. It designated 2 of the 4 directors to LYNK & CO and participated in the corporate governance of LYNK & CO. The Group has joint control over LYNK & CO and has stronger influence over decision-making on LYNK & CO's material events. Therefore, if LYNK & CO's material events may have a material adverse effect on the Group, the Group can avoid such material adverse effect through its shareholder's rights entitled and the directors appointed by it in LYNK & CO.

On 14 November 2024, the Company announced that immediately following the completion of the LYNK & CO Acquisition and the LYNK & CO Capital Injection, LYNK & CO will be owned 49% by Ningbo Geely and 51% by Zhejiang ZEEKR. LYNK & CO will become (i) an indirect non wholly-owned subsidiary of ZEEKR; and (ii) an indirect non wholly-owned subsidiary of the Company. The financial results of LYNK & CO will be consolidated into the consolidated financial statements of the ZEEKR Group and the Group, respectively, and LYNK & CO will no longer be in competition with the Group.

For the changes in the shareholding, governance, and management of LYNK & CO upon completion of the LYNK & CO Acquisition and the LYNK & CO Capital Injection, please refer to the Company's circular dated 20 December 2024.

Other enterprises controlled by Geely Holding or in which it has equity interests as a major shareholder

(3) Lotus

Lotus is a manufacture brand under Lotus Advance Technologies Sdn. Bhd., which is controlled by Geely Holding. As at 31 December 2024, Geely Holding indirectly held 51% equity interests in Lotus Advance Technologies Sdn. Bhd. and controlled it.

Lotus is a well-known manufacturer of sports car and racing car. Its passenger vehicle products are mainly high-performance sports cars and racing cars, which display significant difference from the economic passenger vehicles of the Group in terms of product positioning. Since the target consumer groups of Lotus and the Group are mainly different, the manufacture business operated by each party does not constitute a competitive relationship, and the possibility of mutually or unilaterally transferring business opportunities is small.

Although the Group is not a party to the Lotus acquisition, to protect the interests of the Group, Geely Holding has provided an irrevocable undertaking to the Company in November 2017 to the effect that upon being notified of any decision by the Company pursuant to a resolution resolved by a majority of the independent non-executive Directors, Geely Holding will, and will procure its associates (other than the Group) to transfer to the Group all or any part of the equity/businesses and related assets of the Lotus acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed.

(4) Polestar

Polestar is a manufacture brand under Polestar Automotive Holding UK PLC. Polestar Automotive Holding UK PLC is owned as to more than 80% by Mr. Li Shu Fu and his associate.

The positioning of Polestar is high-performance electric vehicle. Polestar adheres the concept of "technology-oriented", enjoys the technical engineering synergy advantages of Volvo Cars, with worldwide sales network. Polestar redefines luxury in the age of sustainability with design, driving experience, and eco-friendly, high-tech minimalism. Significant difference is shown with the products of the Group in terms of the target consumers group.

DIRECTORS' REPORT

(5) London Electric Vehicle Company

London Electric Vehicle Company ("**LEVC**") is a manufacture brand Geely Holding. LEVC is positioned as the VAN series of electrified models. As at 31 December 2024, LEVC launched three models: the TX, VN5 Vans, and the L380 pure electric MPV. The TX and VN5 Vans are primarily targeted at European and other international markets, while the L380 pure electric MPV is aimed at the global market. The customer bases and pricing of these models differ from the Group's major brands, namely Geely and ZEEKR.

(6) Livan

Livan is an electric mobility brand focusing on battery swapping business models. Livan was jointly established by the Group and Lifan Technology. As at 31 December 2024, Livan was 55% owned by Lifan Technology and 45% by Geely Qizheng, which is ultimately and beneficially wholly-owned by Mr. Li Shu Fu and his associate. Livan's vision is to create a new pattern of battery swapping in the new energy era.

The goal is to shape the perception of intergenerational advantage, advocate the lifestyle of battery swapping, and create new value and changes for the industry. Livan positions itself as popularizing convenient commuting with battery swapping. Livan has released a number of battery swapping models, which not only focus on the operation market but also provide more choices for consumers. The business-end and customer-end drive business growth simultaneously. Livan has clear differentiations from the Group's major brands, namely Geely and ZEEKR, regarding product positioning, targeted market segment, and business operation models.

(7) smart

smart is a vehicle brand of the joint venture company established by the Geely Holding Group and third parties. With more than 25 years of brand awareness, the tonality of the brand mainly emphasizes light luxury, fashionable interest and intelligence, highlighting internal and external style design, personalized use function and experience and aiming at the targeted user group that pursues light luxury/fashionable interest/technological experience.

The pricing of the first model of smart and the price range of other brands formed a strong complementary relationship. In terms of sales market, smart naturally have the advantage of centering on two major markets, China and Europe. Especially, the brand recognition is stronger in the European market than that of other brands. smart targets the middle class customers who prefer smaller size vehicles which are more applicable for individual use. There are clear differences between smart and the Group's major brands, namely Geely and ZEEKR, in terms of targeted users, brand positioning and sales market.

(8) JIDU

JIDU is a high-end intelligent automotive brand that is committed to creating leading intelligent car robots. JIDU has already launched two AI intelligent pure electric products: the first product, "JIDU 01" is an SUV model, and the second product, "JIDU 07" is a sedan model. These products are built on the SEA (Sustainable Experience Architecture) platform and equipped with a "pure vision" intelligent driving system, further developed based on Apollo's advanced autonomous driving capabilities, as well as an intelligent cabin empowered by AI large models. The JIDU brand targets consumers who place greater emphasis on intelligence and technological feel, pursue cutting-edge technology and intelligent driving experiences, and are passionate about technology and innovation. Therefore, JIDU has adopted differentiated strategies from the Group's main brands, such as Geely and ZEEKR, in terms of product positioning and target customer groups.

(9) Zhidou

Zhidou is a manufacturing brand under a joint venture company established by Nanjing Zhidou New Energy Automotive Company Limited and third parties. From the beginning, Zhidou has focused on the new energy micro-mobility sector. Zhidou has operated in the micro-electric vehicle segment, committed to providing users with small yet beautiful mobility solutions. Zhidou Caihong is the first new energy micro-electric vehicle launched after Zhidou's brand renewal, aiming to meet the needs of young users for environmentally-friendly, convenient, and economical travel.

This model, with its outstanding design and performance, satisfies consumers' demand for personalized and differentiated mobility, becoming a representative work of the Zhidou brand. Zhidou continues to focus on the micro-vehicle market, building an industry-leading micro-mobility platform. In terms of product positioning and target market segmentation, Zhidou differs significantly from the Group's major brands, namely Geely and ZEEKR.

Businesses controlled by the controlling shareholder, or in which it has an interest as a substantial shareholder such as Lotus, Polestar, LEVC, smart, JIDU, and Zhidou, differ significantly from the Group in terms of product positioning, target consumer groups, etc., such that no competitive relationship is constituted with the Group, and the possibility of mutually or unilaterally transferring business opportunities is small.

No horizontal competition was found between the Group and other enterprises (other than the controlling shareholders) controlled by the actual controller

Save as disclosed above, as at 31 December 2024, neither Mr. Li Shu Fu nor his associates engaged in the research and development, production, or sales of passenger vehicles that are the same as or similar to those of the Group, and no horizontal competition was found between them and the Group.

Saved as disclosed above, as at 31 December 2024, none of the Directors nor any of their respective associates had any business or interest in a business that competes or is likely to compete, either directly or indirectly, with the business of the Group.

AUDITOR

Grant Thornton Hong Kong Limited retires and, being eligible, offers itself for re-appointment. A resolution will be submitted to the forthcoming annual general meeting to reappoint Messrs. Grant Thornton Hong Kong Limited as the auditor of the Company.

On behalf of the Board

Li Shu Fu
Chairman
20 March 2025

INDEPENDENT AUDITOR'S REPORT

Grant Thornton
致同

To the members of Geely Automobile Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Geely Automobile Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") set out on pages 126 to 310, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of intangible assets

Refer to notes 5 and 15 to the consolidated financial statements and the accounting policies as set out in notes 4(e) and 4(k) to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
We identified the impairment of intangible assets as a key audit matter due to the judgement being made about future results of the business in assessing the recoverable amount of intangible assets. As at 31 December 2024, intangible assets of approximately RMB28,750,511,000 represented capitalised product development costs related to cash-generating units ("**CGU**"). Management assessed whether there were any indicators that the intangible assets may be impaired. Intangible assets with impairment indicators were tested for impairment. Management calculated the recoverable amount of the CGU based on value in use calculations using future cash flow projections. Based on the results of the impairment assessment, which involved significant management judgment and key assumptions, including management's expectations of future free cash flows, estimated annual revenue growth rates, and the selection of discount rates to reflect the risks involved in the value in use calculations, the Group's management has concluded that there was an impairment loss of RMB638,266,000 related to intangible assets during the year ended 31 December 2024.	Our audit procedures to assess the impairment of the Group's intangible assets by the Company's management included the following: – Obtained an understanding of the Group's internal controls and processes of impairment assessment; – Assessed the valuation methodology adopted by management; – Compared the current year actual cash flows with the prior year cash flow projections to consider if the projections included any assumptions that were overly optimistic; – Assessed the reasonableness of key assumptions, including growth rate and discount rate, based on our knowledge of the business and industry; – Obtained and understand the valuation methodology used by management's valuation specialist in assessing the recoverable amount of certain intangible assets, and evaluated the reasonableness of the related valuation results, with the assistance of internal valuation expert; – Involved a valuation specialist to assess the reasonableness of discount rate used by management; and – Reconciled input data to supporting evidence, such as approved budgets and considered the reasonableness of these budgets.

Key audit matters (Continued)

Revenue recognition on sales of automobiles, automobile parts and components, and battery packs and related parts

Refer to notes 5 and 6 to the consolidated financial statements and the accounting policy as set out in note 4(n) to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
For the year ended 31 December 2024, the revenue of the Group amounted to approximately RMB240,194,270,000 of which approximately RMB227,458,974,000 was contributed from the sales of automobiles, automobile parts and components, and battery packs and related parts. Revenue recognition on sales of automobiles, automobile parts and components, and battery packs and related parts is identified as a key audit matter because of its financial significance to the consolidated financial statements and its status as one of key performance indicators of the Group. Accordingly, there may be risks of material misstatements related to revenue recognition.	Our audit procedures in relation to revenue recognition on sales of automobiles, automobile parts and components, and battery packs and related parts included the following: – Understood and evaluated the internal controls and processes of revenue recognition on sales of automobiles, automobile parts and components, and battery packs and related parts and tested their operating effectiveness; – Reviewed sales agreements, on a sample basis, to understand the terms of the sales transactions and assess whether the Group's accounting policies in relation to revenue recognition were applied appropriately and consistently throughout the year; – Performed an analytical review of revenue and gross margin by automobile products categories to identify significant or unusual fluctuations in revenue; – Assessed, on a sample basis, whether specific revenue transactions around the end of the reporting period had been recognised in the appropriate period by comparing the selected transactions with relevant underlying documentation, including customers' receipts, goods delivery notes and the terms of sales as set out in the distributor agreements; and – Obtained external confirmation to verify the outstanding trade receivables balances at the end of the reporting period directly from customers, on a sample basis.

INDEPENDENT AUDITOR'S REPORT

Key audit matters (Continued)

Recognition of gain on deemed disposal of subsidiaries upon completion of the contribution to a joint venture

Refer to notes 5 and 19 to the consolidated financial statements and the accounting policy as set out in note 4(d) to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
For the year ended 31 December 2024, the Group recognised a gain on deemed disposal of subsidiaries of approximately RMB9,264,384,000 upon completion of the contribution to Horse Powertrain Limited, which is accounted for as a joint venture by the Group. We identified the gain on deemed disposal of subsidiaries upon completion of the contribution to a joint venture as a key audit matter because of its financial significance to the consolidated financial statements. Upon completion of the transaction, the Group's interest in Aurobay Holding (SG) Pte. Ltd. was diluted from 100% to 33%, resulting in a gain on deemed disposal of subsidiaries.	Our audit procedures in relation to recognition of gain on deemed disposal of subsidiaries upon completion of the contribution to a joint venture included the following: – Evaluated the management's accounting treatment of relevant transactions to ensure compliance with applicable accounting standards; – Understood the terms of the contribution agreement among the shareholders to comprehend the calculation method for the contribution value and recalculated the final contribution value, ensuring that the final contribution value calculation aligns with the pre-agreed conditions and that management's calculations are accurate; – Obtained and reviewed the calculations and related supporting documents provided by management for the deemed disposal of subsidiaries upon completion of the contribution to a joint venture, to ensure the accuracy of the reported gain; – Obtained and reviewed the contribution and joint venture agreements to understand the relevant business rationale and transaction details; and – Obtained and evaluated the valuation results of the equity valuation report for the joint venture as assessed by management and engaged the internal valuation expert to evaluate the reasonableness of management's assessment of the fair value of the joint venture's equity.

Other information

The directors are responsible for the other information. The other information comprises all the information included in the 2024 annual report of the Company, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

From the matters communicated with the Audit Committee, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

20 March 2025

Ng Ka Kong
Practising Certificate No.: P06919

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	6	**240,194,270**	179,203,592
Cost of sales		**(201,993,421)**	(151,788,523)
Gross profit		**38,200,849**	27,415,069
Other gains/(losses), net	8	**904,742**	1,367,181
Distribution and selling expenses		**(13,282,997)**	(11,831,977)
Administrative expenses		**(4,896,921)**	(4,210,140)
Research and development expenses	9(c)	**(10,419,240)**	(7,809,997)
Impairment loss on trade and other receivables	9(c)	**(127,248)**	(160,300)
Impairment loss on non-financial assets, net	9(c)	**(987,825)**	(317,001)
Share-based payments	38	**(1,746,925)**	(646,336)
Finance income, net	9(a)	**692,494**	544,350
Share of results of associates		**530,123**	365,248
Share of results of joint ventures		**438,790**	233,845
Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture	19	**9,097,711**	–
Profit before taxation	9	**18,403,553**	4,949,942
Taxation	10	**(1,604,458)**	(14,924)
Profit for the year		**16,799,095**	4,935,018
Attributable to:			
Equity holders of the Company		**16,632,398**	5,308,408
Non-controlling interests		**166,697**	(373,390)
Profit for the year		**16,799,095**	4,935,018
Earnings per share			
Basic	12	**RMB1.64**	RMB0.51
Diluted	12	**RMB1.63**	RMB0.51

The notes on pages 135 to 310 are an integral part of these consolidated financial statements. Details of dividends payable to equity holders of the Company attributable to the profit for the year are set out in note 11.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

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

The notes on pages 135 to 310 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment	14	**26,383,836**	27,350,540
Intangible assets	15	**28,750,511**	23,919,814
Land lease prepayments	16	**4,126,098**	3,600,084
Goodwill	17	**34,218**	34,218
Interests in associates	18	**5,868,902**	5,971,984
Interests in joint ventures	19	**25,555,301**	9,730,978
Trade and other receivables	21	**4,810,900**	1,895,664
Financial assets at FVOCI	26	**78,797**	117,746
Deferred tax assets	35	**8,461,387**	6,341,753
		104,069,950	78,962,781
Current assets			
Inventories	20	**23,078,314**	15,422,219
Trade and other receivables	21	**58,306,524**	42,710,734
Income tax recoverable		**190,723**	164,412
Restricted bank deposits	23	**2,881,148**	943,433
Bank balances and cash		**40,865,000**	35,745,963
		125,321,709	94,986,761
Assets classified as held for sale	25	**–**	18,648,139
		125,321,709	113,634,900
Current liabilities			
Trade and other payables	24	**125,378,530**	87,398,188
Derivative financial instruments	22	**27,918**	12,702
Lease liabilities	27	**803,204**	753,611
Bank borrowings	28	**30,300**	–
Income tax payable		**959,714**	774,408
		127,199,666	88,938,909
Liabilities directly associated with assets classified as held for sale	25	**–**	7,885,018
		127,199,666	96,823,927
Net current (liabilities)/assets		**(1,877,957)**	16,810,973
Total assets less current liabilities		**102,191,993**	95,773,754

	Notes	**2024** **RMB'000**	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	30	**184,020**	183,807
Perpetual capital securities	31	**–**	3,413,102
Reserves	32	**86,558,205**	76,911,915
Equity attributable to equity holders of the Company		**86,742,225**	80,508,824
Non-controlling interests		**5,677,705**	4,642,674
Total equity		**92,419,930**	85,151,498
Non-current liabilities			
Trade and other payables	24	**3,410,715**	2,721,668
Lease liabilities	27	**1,762,438**	1,906,338
Bank borrowings	28	**414,180**	2,840,240
Loan from a related company	29	**–**	1,100,000
Bonds payable	33	**3,500,000**	1,500,000
Deferred tax liabilities	35	**684,730**	554,010
		9,772,063	10,622,256
		102,191,993	95,773,754

Approved and authorised for issue by the Board of Directors on 20 March 2025.

Gui Sheng Yue	**Mao Jian Ming, Moosa**
Director	Director

The notes on pages 135 to 310 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company													
	Share capital RMB'000 (note 30)	Perpetual capital securities RMB'000 (note 31)	Share premium RMB'000 (note 32(a))	Capital reserve RMB'000 (note 32(b))	Statutory reserve RMB'000 (note 32(c))	Safety production fund reserve RMB'000 (note 32(d))	Fair value reserve (recycling) RMB'000 (note 32(e))	Fair value reserve (non-recycling) RMB'000 (note 32(f))	Translation reserve RMB'000 (note 32(g))	Share-based compensation reserve RMB'000 (note 32(h))	Retained profits RMB'000 (note 32(i))	Sub-total RMB'000	Non-controlling interests RMB'000	Total RMB'000
Balance at 1 January 2023	183,686	3,413,102	18,020,191	(1,712,482)	1,084,593	–	(111,530)	(95,958)	(22,088)	2,740,758	51,630,183	75,130,455	1,065,360	76,195,815
Profit for the year	–	142,437	–	–	–	–	–	–	–	–	5,165,971	5,308,408	(373,390)	4,935,018
Other comprehensive expense:														
Change in fair value of notes receivable at FVOCI	–	–	–	–	–	–	(66,440)	–	–	–	–	(66,440)	(671)	(67,111)
Share of other comprehensive income of associates and joint venture	–	–	–	–	–	–	–	–	10,985	–	–	10,985	–	10,985
Exchange differences on translation of financial statements of foreign operations	–	–	–	–	–	–	–	–	(74,212)	–	–	(74,212)	21,122	(53,090)
Change in fair value of equity investments at FVOCI	–	–	–	–	–	–	–	(166,266)	–	–	–	(166,266)	–	(166,266)
Total comprehensive income for the year	–	142,437	–	–	–	–	(66,440)	(166,266)	(63,227)	–	5,165,971	5,012,475	(352,939)	4,659,536
Transactions with owners:														
Transfer of reserves	–	–	–	–	1,254,766	–	–	–	–	–	(1,267,501)	(12,735)	–	(12,735)
Transfer to designated safety production fund	–	–	–	–	–	134,684	–	–	–	–	(134,684)	–	–	–
Utilisation of designated safety production fund	–	–	–	–	–	(134,684)	–	–	–	–	134,684	–	–	–
Share of capital reserve of an associate and joint venture	–	–	–	145,965	–	–	–	–	–	–	–	145,965	–	145,965
Shares issued under share award scheme (note 30(b))	121	–	146,758	–	–	–	–	–	–	(146,758)	–	121	–	121
Equity settled share-based payments (note 38)	–	–	–	–	–	–	–	–	–	900,655	–	900,655	–	900,655
Capital contribution from non-controlling interests (note 41)	–	–	–	1,390,088	–	–	–	–	–	–	–	1,390,088	3,983,030	5,373,118
Distribution paid on perpetual capital securities (note 11(c))	–	(142,437)	–	–	–	–	–	–	–	–	–	(142,437)	–	(142,437)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(52,777)	(52,777)
Final dividend approved and paid in respect of the previous year (note 11(b))	–	–	–	–	–	–	–	–	–	–	(1,915,763)	(1,915,763)	–	(1,915,763)
Total transactions with owners	121	(142,437)	146,758	1,536,053	1,254,766	–	–	–	–	753,897	(3,183,264)	365,894	3,930,253	4,296,147
Balance at 31 December 2023	183,807	3,413,102	18,166,949	(176,429)	2,339,359	–	(177,970)	(262,224)	(85,315)	3,494,655	53,612,890	80,508,824	4,642,674	85,151,498

For the year ended 31 December 2024

	Attributable to equity holders of the Company												Non-controlling interests RMB'000	Total RMB'000
	Share capital RMB'000 (note 30)	Perpetual capital securities RMB'000 (note 31)	Share premium RMB'000 (note 32(a))	Capital reserve RMB'000 (note 32(b))	Statutory reserve RMB'000 (note 32(c))	Safety production fund reserve RMB'000 (note 32(d))	Fair value reserve (recycling) RMB'000 (note 32(e))	Fair value reserve (non-recycling) RMB'000 (note 32(f))	Translation reserve RMB'000 (note 32(g))	Share-based compensation reserve RMB'000 (note 32(h))	Retained profits RMB'000 (note 32(i))	Sub-total RMB'000		
Balance at 1 January 2024	183,807	3,413,102	18,166,949	(176,429)	2,339,359	-	(177,970)	(262,224)	(85,315)	3,494,655	53,612,890	80,508,824	4,642,674	85,151,498
Profit for the year	-	144,840	-	-	-	-	-	-	-	-	16,487,558	16,632,398	166,697	16,799,095
Other comprehensive expense:														
Change in fair value of notes receivable at FVOCI	-	-	-	-	-	-	34,155	-	-	-	-	34,155	382	34,537
Share of other comprehensive expense of associates and joint ventures	-	-	-	-	-	-	-	-	(725,873)	-	-	(725,873)	-	(725,873)
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	16,646	-	-	16,646	(16,351)	295
Change in fair value of equity investments at FVOCI	-	-	-	-	-	-	-	(38,949)	-	-	-	(38,949)	-	(38,949)
Reclassification adjustment on fair value recycling released on deemed disposal of subsidiaries	-	-	-	-	-	-	2,006	-	-	-	-	2,006	-	2,006
Total comprehensive income for the year	-	144,840	-	-	-	-	36,161	(38,949)	(709,227)	-	16,487,558	15,920,383	150,728	16,071,111
Transactions with owners:														
Transfer of reserves	-	-	-	-	2,577,463	-	-	-	-	-	(2,577,463)	-	-	-
Transfer to designated safety production fund	-	-	-	-	-	119,908	-	-	-	-	(119,908)	-	-	-
Utilisation of designated safety production fund	-	-	-	-	-	(119,908)	-	-	-	-	119,908	-	-	-
Issuance of ordinary shares of ZEEKR for ZEEKR Offering (as defined in note 11(d)) (note 41)	-	-	-	(73,317)	-	-	-	-	-	-	-	(73,317)	1,582,185	1,508,868
Share of capital reserve of an associate and a joint venture	-	-	-	(13,495)	-	-	-	-	-	4,420	-	(9,075)	-	(9,075)
Shares issued under share option scheme (note 30(a))	102	-	63,337	-	-	-	-	-	-	(14,862)	-	48,577	-	48,577
Shares issued under share award scheme (note 30(b))	111	-	137,094	-	-	-	-	-	-	(137,094)	-	111	-	111
Equity settled share-based payments (note 38)	-	-	-	-	-	-	-	-	-	724,497	-	724,497	-	724,497
Equity settled share-based payments of ZEEKR's share awards (notes 38 and 41)	-	-	-	-	-	-	-	-	-	-	-	-	1,030,768	1,030,768
Vesting of equity settled share-based payments of ZEEKR's share awards (note 41)	-	-	-	484,881	-	-	-	-	-	-	-	484,881	(484,881)	-
Acquisition of additional interests in ZEEKR (as defined in note 4(p)) from non-controlling interests	-	-	-	(4,814,176)	-	-	-	-	-	-	-	(4,814,176)	(1,092,096)	(5,906,272)
ZEEKR shares repurchased by ZEEKR (as defined in note 4(p)) (note 41)	-	-	-	(161,421)	-	-	-	-	-	-	-	(161,421)	(25,324)	(186,745)
Distribution paid on perpetual capital securities (note 11(c))	-	(144,840)	-	-	-	-	-	-	-	-	-	(144,840)	-	(144,840)
Redemption of perpetual capital securities (note 31)	-	(3,413,102)	-	-	-	-	-	-	-	-	(208,798)	(3,621,900)	-	(3,621,900)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(126,452)	(126,452)
Special Dividend Distribution (as defined in note 11(d)) (note 41)	-	-	-	89	-	-	-	-	-	-	(69,853)	(69,764)	103	(69,661)
Final dividend approved and paid in respect of the previous year (note 11(b))	-	-	-	-	-	-	-	-	-	-	(2,050,555)	(2,050,555)	-	(2,050,555)
Total transactions with owners	213	(3,557,942)	200,431	(4,577,439)	2,577,463	-	-	-	-	576,961	(4,906,669)	(9,686,982)	884,303	(8,802,679)
Balance at 31 December 2024	184,020	-	18,367,380	(4,753,868)	4,916,822	-	(141,809)	(301,173)	(794,542)	4,071,616	65,193,779	86,742,225	5,677,705	92,419,930

The notes on pages 135 to 310 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Profit before taxation		**18,403,553**	4,949,942
Adjustments for:			
Depreciation and amortisation		**9,393,462**	8,202,762
Equity settled share-based payments	38	**1,746,925**	646,336
Finance costs	9(a)	**550,263**	417,013
Gain on deemed disposal of subsidiaries and provisional loss on partial disposal of a joint venture	19	**(9,097,711)**	–
Gain on deemed disposal/partial disposal/disposal of investments accounted for using the equity method	8	**(889,805)**	(185,929)
Impairment loss on trade and other receivables	9(c)	**127,248**	160,300
Net impairment loss on non-financial assets	9(c)	**987,825**	317,001
Interest income	9(a)	**(1,242,757)**	(961,363)
Net foreign exchange loss		**1,761,809**	230,683
Net (gain)/loss on disposal/written off of property, plant and equipment, intangible assets and land lease prepayments	9(c)	**(60,951)**	301,539
Share of results of associates		**(530,123)**	(365,248)
Share of results of joint ventures		**(438,790)**	(233,845)
Gain on disposal of a subsidiary		**(12,898)**	–
Gain on bargain purchase of a subsidiary	40	**(23,562)**	–
Unrealised loss/(gain) on derivative financial instruments		**15,216**	(67,807)
Operating profit before working capital changes		**20,689,704**	13,411,384
Inventories		**(7,827,561)**	(4,472,165)
Trade and other receivables		**(16,545,339)**	(2,901,827)
Trade and other payables		**33,689,209**	18,612,169
Cash generated from operations		**30,006,013**	24,649,561
Income taxes paid		**(3,498,586)**	(2,307,192)
Net cash generated from operating activities		**26,507,427**	22,342,369

	Notes	2024 RMB'000	2023 RMB'000
Cash flows from investing activities			
Purchase of property, plant and equipment		**(3,032,449)**	(5,711,295)
Proceeds from disposal of property, plant and equipment, intangible assets and land lease prepayments		**406,433**	102,049
Proceeds from disposal of an associate		**504,000**	–
Additions of land lease prepayments		**(478,115)**	(171,923)
Additions of intangible assets		**(9,803,847)**	(9,439,276)
Initial/additional capital injection in associates		**–**	(1,111,000)
Initial/additional capital injection in joint ventures		**–**	(355,825)
Acquisition of a loan to an associate	18	**–**	(387,354)
Proceeds from the partial disposal of interests in joint ventures	19	**2,164,798**	577,101
Loan repayment from an associate		**431,425**	–
Loan repayment from joint ventures		**2,100,000**	–
Advance to a joint venture		**–**	(100,000)
Dividend received from a joint venture		**427,500**	300,000
Dividend received from associates		**275,344**	220,386
Change in restricted bank deposits		**(1,740,115)**	(796,267)
Net cash inflows/(outflows) on acquisition of subsidiaries	40	**1,757,540**	(193,198)
Net cash inflows on disposal of a subsidiary		**32,434**	–
Net cash outflows on deemed disposal of subsidiaries	19	**(3,140,476)**	–
Settlement of consideration payable for acquisition of a subsidiary in prior year	40	**(152,980)**	–
Interest received		**1,116,599**	921,956
Net cash used in investing activities		**(9,131,909)**	(16,144,646)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Cash flows from financing activities			
Dividends paid to equity holders of the Company	11(b)	**(2,050,555)**	(1,915,763)
Special dividend paid	11(d)	**(69,661)**	–
Dividends paid to non-controlling interests		**(126,452)**	(47,814)
Distribution paid on perpetual capital securities	11(c)	**(144,840)**	(142,437)
Capital contribution from non-controlling interests	41	**–**	5,373,118
Proceeds from issuance of ordinary shares of ZEEKR for ZEEKR Offering (as defined in note 11(d))	41	**1,508,868**	–
Proceeds from bank borrowings	34	**611,447**	662,813
Repayment of bank borrowings	34	**(2,897,720)**	–
Advances from related companies	34	**3,000,000**	1,898,730
Repayment of loan from a related company	34	**(4,100,000)**	(6,798,730)
Proceeds from issuance of bonds	34	**2,000,000**	1,500,000
Repayment of bonds payable	34	**–**	(2,068,422)
Redemption of perpetual capital securities	31	**(3,621,900)**	–
Proceeds from issuance of shares upon vesting of award shares	30(b)	**111**	121
Proceeds from issuance of shares upon exercise of share options	30(a)	**48,577**	–
ZEEKR shares repurchased by ZEEKR (as defined in note 4(p))	41	**(186,745)**	–
Acquisition of additional interests in ZEEKR (as defined in note 4(p)) from non-controlling interests	41	**(5,900,000)**	–
Payment of lease liabilities	34	**(880,043)**	(785,958)
Interest paid	34	**(487,621)**	(439,434)
Net cash used in financing activities		**(13,296,534)**	(2,763,776)
Net increase in cash and cash equivalents		**4,078,984**	3,433,947
Cash and cash equivalents at the beginning of the year		**36,775,293**	33,341,339
Effect of foreign exchange rate changes		**10,723**	7
Cash and cash equivalents at the end of the year		**40,865,000**	36,775,293
Analysis of balance of cash and cash equivalents:			
Bank balances and cash		**40,865,000**	35,745,963
Bank balances and cash included in assets classified as held for sale	25	**–**	1,029,330
		40,865,000	36,775,293

The notes on pages 135 to 310 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

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

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report. As at 31 December 2024, the directors consider the immediate holding company of the Company to be Proper Glory Holding Inc., which is incorporated in the British Virgin Islands (the "**BVI**"). The ultimate holding company of the Company is Zhejiang Geely Holding Group Company Limited[#] ("**Geely Holding**") 浙江吉利控股集團有限公司, which is incorporated in the People's Republic of China (the "**PRC**") and is beneficially owned by Mr. Li Shu Fu and his associates.

The Company is an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 46 to the consolidated financial statements.

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

2. STATEMENT OF COMPLIANCE

These consolidated financial statements on pages 126 to 310 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong, and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the SEHK (the "**Listing Rules**"). Material accounting policies adopted by the Company and its subsidiaries (together referred to as the "**Group**") are set out in note 4 below. These policies have been consistently applied to all the years presented unless otherwise stated.

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

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

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

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

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

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

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

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

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

The amendments are applied retrospectively.

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

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective and have not been adopted early by the Group.

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

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective date not yet determined

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

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

3.2 Issued but not yet effective HKFRSs (Continued)

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

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

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

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

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

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

There are also consequential amendments to several other standards.

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

3. ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

3.2 Issued but not yet effective HKFRSs (Continued)

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

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

- clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

- clarified and added further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;

- added new disclosures for certain instruments with contractual terms that can change cash flows (e.g., some financial instruments with features linked to the achievement of environment, social and governance targets); and

- updated the disclosures for equity instruments designated at FVOCI.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained profits. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted, and the other amendments can be applied later.

The directors of the Group expect that the amendments will have no material impact on the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

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

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

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 5.

The consolidated financial statements are presented in thousands of Renminbi ("**RMB'000**"), which is also the functional currency of the Company.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

A subsidiary is an entity, directly or indirectly, controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement and consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets. The Group elects to measure any non-controlling interest in the subsidiary at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets for all business combinations.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and equity holders of the Company.

Changes in the Group's interests in subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interests in that subsidiary. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e.,reclassified to profit or loss or transferred directly to retained profits). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" ("**HKFRS 9**") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss (see note 4(k)). Cost also includes direct attributable costs of investments.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Goodwill

Goodwill arising from a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree, if any, over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses (see note 4(k)). Goodwill arising from a business combination is allocated to each cash-generating unit or groups of cash-generating units ("**CGU**"), which is expected to benefit from the synergies of the combination and is tested at least annually for impairment. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the interests in associates and joint ventures.

On disposal of a cash-generating unit or an associate or a joint venture, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(d) Interests in associates and joint ventures

An associate is an entity over which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in these consolidated financial statements using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. For this purpose, the Group's interest in the associate or joint venture is the carrying amount of the investment under the equity method together with the Group's other long-term interests that in substance form part of the Group's net investment in the associate or joint venture, after applying the expected credit loss ("**ECL**") model to such other long-term interests where applicable.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Interests in associates and joint ventures (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities measured and contingent liabilities assumed of an associate or a joint venture recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities measured over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Where a group entity transacts with an associate or a joint venture of the Group, profits and losses are eliminated to the extent of the Group's interests in the relevant associate and joint venture. Where unrealised losses on assets sales between the Group and its associate or joint venture are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective.

Where necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies in line with those used by the Group.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates or joint ventures. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in an associate or a joint venture is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (higher of value in use and fair value less costs of disposal) of the associate or joint venture and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including cash flows arising from the operations of the associate or joint venture and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture. The difference between (i) the fair value of any retained interest and any proceeds from disposing of the interest in the associate or joint venture; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss.

In the Company's statement of financial position, interest in a joint venture is stated at cost less impairment losses (see note 4(k)).

4. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Intangible assets (other than goodwill) and research and development activities

Intangible assets acquired separately are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses (see note 4(k)). Amortisation for intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over their estimated useful lives. Amortisation begins when the asset is available for use (i.e., when it is in the location and condition necessary for it to be capable of operation).

Research and development costs

Costs associated with research activities are recognised as an expense in the period in which it is incurred. Costs that are directly attributable to the development phase are recognised as intangible assets provided they meet the following recognition requirements:

(i) demonstration of technical feasibility of the prospective product for internal use or sale;

(ii) there is an intention to complete the intangible asset and use or sell it;

(iii) the Group's ability to use or sell the intangible asset is demonstrated;

(iv) the intangible asset will generate probable economic benefits through internal use or sale;

(v) sufficient technical, financial and other resources are available for completion; and

(vi) the expenditure attributable to the intangible asset can be reliably measured.

The costs capitalised include employee costs incurred on development along with an appropriate portion of relevant overheads. The costs of internally generated product developments are recognised as intangible assets. They are subject to the same subsequent measurement method as externally acquired intangible assets.

Capitalised product development costs are amortised over 2 to 8 years. All other development costs are recognised as an expense in the period in which it is as incurred.

Both the period and method of amortisation are reviewed annually.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(g) Foreign currency translation

In preparing the financial statements of each individual entity, foreign currency transactions are translated into the functional currency of the individual entity at exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rate ruling at the transaction dates and not retranslated (i.e., only translated using the exchange rates at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences arising from the settlement of monetary assets and liabilities, and on the translation of monetary assets and liabilities, are recognised in profit or loss in the period in which they arise, except for exchange differences arising from a monetary assets and liabilities that forms part of the Company's net investment in a foreign operation, in which case such exchange differences are recognised in other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Foreign currency translation (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e., Renminbi ("**RMB**")) at the exchange rates prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising from translation of functional currency to presentation currency, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (i.e., the translation reserve). Such exchange differences are reclassified from equity to profit or loss as a reclassification adjustment in the period in which the foreign operation is disposed of.

(h) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, in case of financial assets or liabilities not at fair value through profit or loss ("**FVTPL**"), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets

Non-equity investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held within a business model whose objective is to hold the investment and collect its contractual cash flows and the contractual terms of the investment give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from the investment is calculated using the effective interest method (note 4(n)).

– FVOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale, subsequent changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECLs, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial assets (Continued)

An investment in equity securities is classified as financial assets at FVTPL unless the equity investment is not held for trading purposes. On initial recognition of the investment, the Group may elect to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer's perspective.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Dividends are recognised in profit or loss as "Other gains/(losses), net".

Credit losses

The Group recognises a loss allowance for ECLs on the financial assets measured at amortised cost (including bank balances and cash, restricted bank deposits and trade and other receivables (excluding notes receivable)) and debt instruments measured at FVOCI (recycling) (including notes receivable).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls on bank balances and cash, restricted bank deposits and trade and other receivables (excluding notes receivable) are discounted using effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial assets (Continued)

Credit losses (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the end of the reporting period; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs by using a simplified approach. The Group determines the ECLs on these financial assets collectively using a provision matrix with appropriate groupings and/or individually assessed for debtors with significant balances. Both provision matrix and individual assessment are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of the reporting period.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the end of the reporting period with that assessed at the date of initial recognition. In making this assessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without taking into account any collateral held by the Group; or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial assets (Continued)

Credit losses (Continued)

Significant increases in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial assets (Continued)

Credit losses (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at the end of each reporting period to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment loss or reversal of impairment loss in profit or loss. The Group recognises an impairment loss or reversal of impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for notes receivable that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 44.

Basis of calculation of interest income on financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e., the gross carrying amount less loss allowance) of the financial asset.

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Financial assets (Continued)

Credit losses (Continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Financial liabilities

The Group's financial liabilities include bank borrowings, loan from a related company, bonds payable, lease liabilities and trade and other payables.

All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 4(t)).

The accounting policy for lease liabilities is set out in note 4(r).

Trade and other payables

Trade and other payables are initially recognised at their fair values, and are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Details of accounting policy of derivative financial instruments are set out note 4(m).

Interest bearing borrowings

Interest bearing borrowings, including bank borrowings and bonds payable, are classified as financial liabilities and recognised initially at fair value, less transaction costs incurred. Interest bearing borrowings are subsequently stated at amortised cost, using the effective interest method.

Interest bearing borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Financial instruments (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expired or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised directly in equity, if any, is recognised in profit or loss.

For financial liabilities, they are derecognised from the Group's consolidated statement of financial position when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

(i) Property, plant and equipment

Property, plant and equipment, other than construction in progress ("**CIP**") and cost of right-of-use assets (see note 4(r)), are stated at cost less subsequent accumulated depreciation and accumulated impairment loss (see note 4(k)). Cost comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is provided to write off the cost of items of property, plant and equipment (other than CIP) over their estimated useful lives less their estimated residual values, if any, using the straight-line method as follows:

Buildings	30 years
Plant and machinery	5 to 10 years
Leasehold Improvements	Over the shorter of the unexpired lease terms and 3 years
Furniture and fixtures, office equipment and motor vehicles	3 to 10 years

The accounting policy for depreciation of right-of-use asset is set out in note 4(r).

4. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Property, plant and equipment (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

CIP is stated at cost less accumulated impairment losses (see note 4(k)). Cost includes all construction expenditures and other direct costs attributable to such projects. Costs of completed construction works are transferred to the appropriate asset category. No depreciation is provided for CIP until it is completed and available for use.

(j) Land lease prepayments

"Land lease prepayments" (which meet the definition of right-of-use assets) represent the upfront payment for long-term land lease in which the payment can be reliably measured. It is stated at cost less accumulated depreciation and any accumulated impairment losses (see note 4(k)). Depreciation is calculated on a straight-line basis over the term of the right-of-use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Impairment of non-current assets

Internal and external sources of information are reviewed at the end of the reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment (including right-of-use assets);
- land lease prepayments;
- intangible assets;
- interests in associates and joint ventures;
- goodwill; and
- investments in subsidiaries and interest in a joint venture in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the higher of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e.,a cash-generating unit). As a result, some assets, are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(k) Impairment of non-current assets (Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

Impairment losses recognised in an interim period in respect of goodwill, are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(l) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Cash and cash equivalents are assessed for ECLs in accordance with the accounting policy set out in note 4(h).

Bank balances for which used by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting the use of bank balances are disclosed in note 23.

(m) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for hedged accounting under HKFRS 9.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Revenue recognition and other contract costs

(a) Revenue from contracts with customers

Sales of automobiles, automobile parts and components, battery packs and related parts and scrap materials

Revenue is generally recognised at a point in time when the customers obtain possession of and control of the promised goods in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Revenue excludes value added tax ("**VAT**") or related sales taxes and net of discounts.

The estimated variable consideration is included in the transaction price only if it is highly likely that doing so will not lead to a significant reversal of revenue in the future, once the uncertainty regarding the variable consideration is resolved.

At the end of each reporting period, the Group revises the estimated transaction price (including reassessing whether the variable consideration estimate is constrained) to accurately reflect the conditions at the end of the reporting period and any changes that occurred during that period.

A contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. The Group recognised its contract liabilities under "Trade and other payables" as receipts in advance from customers in the consolidated statement of financial position.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 "Revenue from Contracts with Customers" ("**HKFRS 15**") and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Sales-related warranties associated with automobiles cannot be purchased separately and are served as an assurance that the products sold comply with agreed-upon specifications (i.e., assurance-type warranties). Accordingly, the Group accounts for warranties in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Revenue recognition and other contract costs (Continued)

(a) Revenue from contracts with customers (Continued)

Sales of automobiles, automobile parts and components, battery packs and related parts and scrap materials (Continued)

For warranties associated with automobiles that can be purchased separately or are served as a service in addition to assurance-type warranties (i.e., service-type warranties), the Group accounts for warranties as a separate performance obligation and allocate transaction price in accordance with relative standalone selling price of the warranties.

Services income related to sales of automobiles is recognised over time during the period in which the relevant services are delivered to customers.

Research and development and related technological support services

Revenue from research and development and related technological support services is recognised over time using the output method, which recognises revenue based on direct measurements of the value to the customer of the services transferred to date ("**value to the customer**"), provided that the value to the customer is established by reference to the completion status report confirmed by customers.

Licensing of intellectual properties

For granting of a license that is distinct from other promised goods or services, the nature of the Group's promise in granting a license is a promise to provide a right to access the Group's intellectual property if all of the following criteria are met:

(i) The contract requires, or the customer reasonably expects, that the Group will undertake activities that significantly affect the intellectual properties to which the customer has rights;

(ii) The rights granted by the license directly expose the customer to any positive or negative effects of the Group's activities; and

(iii) Those activities do not result in the transfer of a good or a service to the customer as those activities occur.

If the criteria above are met, the Group accounts for the promise to grant a license as a performance obligation satisfied over time. Otherwise, the Group considers the grant of license as providing the customers the right to use the Group's intellectual property and the performance obligation is satisfied at a point in time at which the license is granted.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Revenue recognition and other contract costs (Continued)

(a) Revenue from contracts with customers (Continued)

Collaborative manufacturing income

Collaborative manufacturing income mainly consists of two components: (1) sales of knock-down kits to other automotive manufacturers, where revenue is recognised at the point when customers take possession of and gain control over the contracted goods. The Group operates as a principal, and is reflected on a gross basis in the consolidated income statement; and (2) provision of subcontracting services, where revenue is recognised upon the subcontracting goods are delivered and the customer has accepted and obtained control of the goods. It is presented on a net basis in the consolidated income statement as the Group is acting as an agent.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e., the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Rental income

The accounting policy for rental income is set out in note 4(r).

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(n) Revenue recognition and other contract costs (Continued)

(b) Other contract costs

If the costs incurred in fulfilling a contract with a customer which are not capitalised as inventories, property, plant and equipment and intangible assets, the Group capitalises the costs incurred to fulfill a contract with a customer as an asset (included in trade and other receivables in the consolidated statement of financial position) if all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(ii) the costs generate or enhance resources of the entity that will be used in satisfying (or continuing to satisfy) performance obligations in the future; and

(iii) the costs are expected to be recovered.

An asset is amortised and charged to the profit or loss on a systematic basis (i.e., in line with the recognition of the respective revenue in accordance with the terms of the contracts that are consistent with the transfer to the customer of the goods or services to which the asset relates). The asset is subject to impairment review. Other costs of fulfilling a contract, which are not capitalised, are expensed as incurred.

(o) Taxation

Income tax expense comprises current tax and deferred tax.

Current tax and movement in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Taxation (Continued)

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising from investments in subsidiaries, associates and joint ventures including existing taxable temporary differences, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 “Income Taxes” to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

The carrying amount of a deferred tax asset is reviewed at the end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(o) Taxation (Continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and current tax liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and deferred tax liabilities, if they relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(p) Equity settled share-based payments

The Company, including its subsidiary ZEEKR Intelligent Technology Holding Limited ("**ZEEKR**"), has operated share incentive plans, including share option schemes and share award schemes. The share award scheme of ZEEKR follows the same accounting policy as that of the Company.

The fair value of share options and award shares granted to employees is recognised as an employee cost and/or capitalised with a corresponding increase in the share-based compensation reserve (for the share incentive plans operated by the Company), and non-controlling interest within equity (for the share incentive plans operated by ZEEKR). The fair value is measured at the grant date using valuation techniques, taking into account the terms and conditions upon which the share options and award shares were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options and award shares, the total estimated fair value is spread over the vesting period, taking into account the probability that the share options and award shares will vest.

During the vesting period, the number of share options and award shares that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based compensation reserve. On vesting date, the amount recognised as an expense and/or capitalised is adjusted to reflect the actual number of options and award shares that vest (with a corresponding adjustment to the share-based compensation reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's or ZEEKR's shares. The equity amount is recognised in the share-based compensation reserve until either the share options and award shares are exercised/allotted (when it is included in the amount recognised in share premium for the shares issued) or the share options and award shares expire (when it is released directly to retained profits).

If the share options and award shares granted are cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the cancellation or settlement is accounted for as an acceleration of vesting, and the amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately in profit or loss.

The Company grants its equity instruments to employees of its subsidiaries including ZEEKR, in exchange for their services related to the subsidiaries. Accordingly, the equity settled share-based payments, which are recognised in the financial statements, are treated as part of the "Investments in subsidiaries" in the Company's statement of financial position.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(q) Employee benefits

(i) Retirement benefits

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to Long Service Payment ("**LSP**") if the eligibility criteria are met. The LSP are defined benefit plans.

Defined contribution plans

Payments to the Group's Mandatory Provident Fund Scheme ("**MPF Scheme**") in Hong Kong, the state-managed retirement benefit scheme in the PRC and defined contribution superannuation funds in other overseas countries are charged as expenses as they fall due.

Defined benefit plans

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remains with the Group.

The LSP obligations recognised in the consolidated statement of financial position is the present value of the LSP obligations at the end of the reporting period.

Management estimates the LSP obligations annually. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Discount factors are determined close to the end of each annual reporting period by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the related defined benefit liability.

(ii) Short-term employee benefits

Salaries, discretionary bonuses, paid annual leave and the cost of non-monetary benefits are accrued and recognised as an expense in profit or loss in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Leases

(i) Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Leases (Continued)

(i) Definition of a lease and the Group as a lessee (Continued)

Measurement and recognition of leases as a lessee (Continued)

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been included in "Property, plant and equipment", the same line as it presents the underlying assets of the same nature that it owns. The prepaid lease payments for leasehold land are presented as "Land lease prepayments" under non-current assets.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Leases (Continued)

(ii) The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of certain portion of its building and plant and machinery. Rental income is recognised on a straight-line basis over the term of lease.

(s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

The government grants relating to the purchase of land lease prepayments, intangible assets and property, plant and equipment for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the assets by way of reduced depreciation and amortisation expenses.

Government grants relating to income is presented in gross under “Other gains/(losses), net” in the consolidated income statement.

(t) Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(u) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(v) Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration for shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

(w) Perpetual capital securities

Perpetual capital securities with no contracted obligation to repay their principal or to pay any distribution are classified as part of equity. In the event of redemption, the redemption amount is deducted from equity.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party, is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any members of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. MATERIAL ACCOUNTING POLICIES (Continued)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management, being the chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(z) Disposal groups held for sale

Disposal groups comprising assets and liabilities, that are highly probable to be recovered principally through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's accounting policies. Thereafter, the assets or disposal group are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of long-lived assets

If circumstances indicate that the net book value of a long-lived asset, including property, plant and equipment, intangible assets and land lease prepayments (notes 14, 15 and 16), may not be recoverable, the asset may be considered "impaired" and an impairment loss may be recognised in accordance with HKAS 36 "Impairment of Assets" ("**HKAS 36**"). The carrying amounts of long-lived assets are reviewed periodically to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those long-lived assets exceeds their recoverable amount. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Determination of the value in use involves management judgement to assess whether the carrying value of the long-lived assets can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain areas, including management's expectations of (i) future free cash flows; (ii) estimated annual revenue growth rates; and (iii) the selection of discount rates to reflect the risks involved.

During the year ended 31 December 2024, the impairment loss of RMB918,065,000 (2023: RMB205,456,000) was provided for long-lived assets.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Revenue recognition

The Group recognises revenue from the sale of automobiles, automobile parts and components, and battery packs and related parts when control of the goods is transferred to the customer, which is typically at the point of delivery as stipulated in the sales agreements. Judgement is required in determining the point at which control is transferred, particularly in complex arrangements involving distributors or export sales with extended payment terms. The directors assess the terms of each sales contract to ensure that revenue is recognised in accordance with HKFRS 15.

Gain on deemed disposal of subsidiaries upon completion of the contribution to a joint venture

The Group recognised a gain on deemed disposal of subsidiaries of RMB9,264,384,000 for the year ended 31 December 2024 (2023: RMBNil) upon completion of the contribution to Horse Powertrain Limited ("**Horse Powertrain**"), a joint venture (see note 19). This gain arose from the dilution of the Group's interest in Aurobay Holding (SG) Pte. Ltd. ("**Aurobay Holding**") from 100% to 33%, following the contribution of its equity interest to Horse Powertrain. The calculation of the gain involves significant estimates and judgements, including:

Valuation of contribution value
The contribution value of Aurobay Holding was determined based on its enterprise value, adjusted for cash, debts, debt-like instruments, and minority interests, as stipulated in the contribution agreement. The definitive contribution values, recalculated in October 2024, exceeded the maximum agreed values by EUR215,451,000 (equivalent to RMB1,695,189,000), impacting the gain calculation. The valuation relied on audited consolidated accounts and involved assumptions such as market comparables with similar sizes and the discount rate applied for lack of marketability, etc..

Fair value of retained equity interest
The fair value of the Group's 33% equity interest in Horse Powertrain (RMB19,870,500,000) was assessed using the market approach, with support from valuation specialists. This valuation also required assumptions about market comparables with similar sizes, the discount rate applied for lack of marketability, and the control premium, all of which are subject to significant uncertainty.

The gain on deemed disposal is sensitive to changes in these estimates. For example, a 5% variation in the fair value of the retained equity interest or the contribution value could result in a material adjustment to the reported gain. The directors have engaged internal valuation experts to evaluate the reasonableness of these estimates and ensure compliance with HKFRS 10 "Consolidated Financial Statements" and HKFRS 11 "Joint Arrangements".

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Estimation of impairment of trade and other receivables

The Group makes allowances on items subjects to ECL (including trade and other receivables) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period (as set out in notes 4(h) and 44). When the actual future cash flows differ from expectations, such differences will impact the carrying amount of trade receivables and other items within the scope of ECL under HKFRS 9, as well as credit losses in the periods in which the estimate has been changed.

As at 31 December 2024 and 2023, the carrying amounts of trade and other receivables are set out in note 21. During the year ended 31 December 2024, impairment loss of RMB127,248,000 (2023: RMB160,300,000) was recognised for trade and other receivables.

Write-down of inventories

The Company's management reviews the condition of inventories, as stated in note 20 to the consolidated financial statements, at the end of each reporting period, and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for use in production. The Group carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions. Write-down for slow-moving inventories amounted to RMB69,760,000 (2023: RMB250,177,000) was recognised as an expense during the year ended 31 December 2024.

Depreciation and amortisation

Property, plant and equipment and intangible assets (notes 14 and 15) with finite useful lives are depreciated or amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the condition of property, plant and equipment and intangible assets (i.e., whether it is available for use) as well as the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amortisation expense to be recorded during the financial year. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment of investments

The Group assesses annually and at the end of each interim period if interests in associates and joint ventures (notes 18 and 19) have suffered any impairment in accordance with HKAS 36. Details of the approach are stated in the accounting policy as set out in note 4(d). The assessment of value in use requires an estimation of future cash flows, including expected dividends, from the investments and the selection of appropriate discount rates. Future changes in financial performance and position of these entities would affect the estimation of impairment loss and cause adjustments to their carrying amounts. During the year ended 31 December 2024, no impairment loss was provided for interests in joint ventures (2023: reversal of impairment loss of RMB138,632,000) and interests in associates (2023: RMBNil).

Income taxes

Subsidiaries of the Group are subject to income taxes according to different tax rates of different regions in the PRC. As certain tax affairs are pending from the confirmation of relevant tax authorities, the Group shall make reliable estimates and judgements for the expected tax adjustments and amounts resulting from such affairs based on the current tax laws and relevant policies. Subsequently, if differences exist between the initial estimates of such affairs and the actual amount of tax payable due to certain objective reasons, such difference will affect the taxes for the current period and tax payables of the Group. Details of income tax are set out in note 10.

Deferred tax

As at 31 December 2024, deferred tax assets of RMB4,718,205,000 (2023: RMB3,655,630,000) in relation to unused tax losses have been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised in respect of the remaining tax losses of RMB2,608,456,000 (2023: RMB3,514,927,000) as well as the deductible temporary differences of RMB2,867,388,000 (2023: RMB2,629,929,000) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are less or more than expected, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a reversal or further recognition takes place. Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised.

As at 31 December 2024, deferred tax liabilities of RMB575,408,000 (2023: RMB490,427,000) relating to the distributable profits not yet paid out as dividends that are generated by the PRC subsidiaries have been recognised in the Group's consolidated statement of financial position. Deferred tax liabilities have not been recognised in respect of temporary differences relating to the post-2007 undistributed profits of the PRC subsidiaries of RMB2,919,318,000 (2023: RMB14,947,011,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future. Further details are disclosed in note 35.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Equity settled share-based payments

Equity-settled share awards are recognised as an expense and/or capitalised based on their fair value at the date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life, and is expensed and/or capitalised over the vesting period. Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the Binomial option pricing model, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in material changes in the amount of equity settled share-based payments recorded in the profit or loss and/or the carrying amount of respective assets.

Critical accounting judgements

Interests in joint ventures

*Genius Auto Finance Company Limited# (“**Genius AFC**”) 吉致汽車金融有限公司*

The Group invested in Genius AFC as at 31 December 2024 and 2023. Unanimous consent from the Group and the other investor, BNP Paribas Personal Finance (“**BNPP PF**”) or unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of Genius AFC for certain key corporate matters is needed. Therefore, Genius AFC is under the joint control of the Group and BNPP PF, despite the Group has an equity interest of 75%. Also, the Group and BNPP PF have rights to the net assets of Genius AFC. Accordingly, the investment in Genius AFC is classified as a joint venture of the Group and is accounted for using the equity method.

*LYNK & CO Automotive Technology Co., Ltd.# (“**LYNK & CO Automotive Technology**”) 領克汽車科技有限公司 (formerly known as LYNK & CO Investment Co., Ltd.# 領克投資有限公司)*

The Group invested in LYNK & CO Automotive Technology as at 31 December 2024 and 2023. Unanimous consent from the Group and the two remaining shareholders of LYNK & CO Automotive Technology (the “**JV Parties**”) or unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of LYNK & CO Automotive Technology for certain key corporate matters is needed. Therefore, LYNK & CO Automotive Technology is under the joint control of the Group and the JV Parties. Accordingly, the investment in LYNK & CO Automotive Technology is classified as a joint venture of the Group and is accounted for using the equity method.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical accounting judgements (Continued)

Interests in joint ventures (Continued)

*Zhejiang Geely AISIN Automatic Transmission Company Limited# ("**Zhejiang AISIN**") 浙江吉利愛信自動變速器有限公司*

The Group invested in Zhejiang AISIN as at 31 December 2024 and 2023. Unanimous resolution of all directors of Zhejiang AISIN for certain key corporate matters is needed. Therefore, the Zhejiang AISIN is a joint venture of the Group and is accounted for using the equity method.

*Shandong Geely Sunwoda Power Battery Company Limited# ("**Geely Sunwoda**") 山東吉利欣旺達動力電池有限公司*

The Group invested in Geely Sunwoda as at 31 December 2024 and 2023. Pursuant to the joint venture agreement, the registered capital of Geely Sunwoda is contributed as to 41.5% (equivalent to RMB41,500,000), 30% (equivalent to RMB30,000,000) and 28.5% (equivalent to RMB28,500,000) by the Group, Sunwoda Electric Vehicle Battery Company Ltd.# 欣旺達電動汽車電池有限公司 and Geely Automobile Group Company Limited# ("**Geely Automobile Group**") 吉利汽車集團有限公司, respectively. The shareholders' meeting is the highest authority and the voting rights in the shareholders' meeting are in proportion to the respective shareholding ratio. Certain key corporate matters shall only be decided by more than 80% the voting rights from shareholders of Geely Sunwoda. Geely Sunwoda is under the joint control of all shareholders because decisions about the key corporate matters cannot be made without the parties' agreement. Therefore, the investment in Geely Sunwoda is classified as a joint venture of the Group and is accounted for using the equity method.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical accounting judgements (Continued)

Interests in joint ventures (Continued)

Horse Powertrain

The Group invested in Horse Powertrain as at 31 December 2024. Pursuant to the joint venture agreement, the shareholding of Horse Powertrain is held as follows: 29.7%, 15.3%, 45% and 10% by the Group, Geely Holding, Renault S.A.S. ("**Renault**") and Aramco Asia Singapore Pte. Ltd. ("**Aramco Asia Singapore**"), respectively. The board of directors consists of a maximum of ten directors of which each shareholder is entitled to appoint one director for each 10% holding interest. Certain key corporate decisions require majority approval from both Renault directors and Company/Geely Holding directors collectively, or unanimous consent from the Company and the other shareholders, establishing joint control. Therefore, Horse Powertrain is under the joint control of the Group and other shareholders because decisions about key corporate decisions cannot be made without the parties' agreement. Accordingly, the investment in Horse Powertrain is classified as a joint venture of the Group and is accounted for using the equity method.

Further details are disclosed in note 19.

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

Determination of the discount rate for leases

In determining the discount rate, the Group is required to exercise considerable judgement taking into account the nature of the underlying assets and the terms and conditions of the leases, at both the commencement date and effective date of the modification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. REVENUE

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

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

7. SEGMENT INFORMATION

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

Geographical information

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

7. SEGMENT INFORMATION (Continued)

Geographical information (Continued)

	2024 RMB'000	2023 RMB'000
Revenue from external customers		
The PRC	**186,298,830**	146,307,768
Eastern Europe	**30,240,461**	17,117,958
Pan Europe (note)	**9,808,051**	7,135,357
Asia Pacific (excluding the PRC)	**5,710,035**	2,781,043
Middle East	**5,643,736**	4,276,375
Latin America	**1,926,865**	1,194,986
Africa	**482,530**	344,177
Other countries	**83,762**	45,928
	240,194,270	179,203,592

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

	2024 RMB'000	2023 RMB'000
Specified non-current assets		
The PRC	**68,377,460**	64,932,748
Other countries	**22,341,406**	5,674,870
	90,718,866	70,607,618

Information about a major customer

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

	2024 RMB'000	2023 RMB'000
Customer A#	**28,184,703**	24,395,747

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

8. OTHER GAINS/(LOSSES), NET

	2024 RMB'000	2023 RMB'000
Government grants and subsidies (note)	**815,156**	958,900
Net foreign exchange loss	**(1,619,227)**	(125,827)
Net realised and unrealised loss on derivative financial instruments	**(332,504)**	(143,278)
Gain on deemed disposal/partial disposal/disposal of investment accounted for using the equity method	**889,805**	185,929
Logistic service income	**144,044**	104,880
Referral service income	**124,004**	24,755
Gain on disposal of scrap materials	**104,704**	46,765
Tooling income	**101,681**	68,506
Net gain/(loss) on disposal/written off of property, plant and equipment, intangible assets and land lease prepayments	**60,951**	(301,539)
Gain on written off of long outstanding payables	**54,452**	150,135
Rental income	**41,155**	23,230
Gain on bargain purchase for acquisition of a subsidiary (note 40)	**23,562**	–
Sundry income	**496,959**	374,725
	904,742	1,367,181

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

9. PROFIT BEFORE TAXATION

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

		2024 RMB'000	2023 RMB'000
(a)	**Finance income and costs**		
	Finance costs		
	Interest on bank and other borrowings	**375,867**	129,118
	Interest on discounted notes receivable	**24,028**	30,486
	Interest on lease liabilities	**86,705**	75,643
	Interest on loans from a related company	**63,663**	181,766
		550,263	417,013
	Finance income		
	Bank and other interest income	**(1,242,757)**	(961,363)
	Net finance income	**(692,494)**	(544,350)
(b)	**Staff costs (including directors' emoluments (note 13)) (note (a))**		
	Salaries, wages and other benefits	**15,625,424**	14,567,478
	Retirement benefit scheme contributions (note (b))	**1,296,109**	1,177,145
	Equity settled share-based payments (note 38)	**1,753,552**	900,655
		18,675,085	16,645,278
	Less: Staff costs capitalised	**(6,225,937)**	(6,308,510)
		12,449,148	10,336,768
(c)	**Other items**		
	Depreciation (note (a)):		
	– Owned assets	**3,220,040**	2,787,080
	– Right-of-use assets (including land lease prepayments)	**1,007,499**	966,470
	Total depreciation	**4,227,539**	3,753,550

9. PROFIT BEFORE TAXATION (Continued)

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

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

Notes:

(a) Cost of inventories included RMB7,805,289,000 (2023: RMB7,334,535,000) relating to staff costs and depreciation, which amounts were also included in the respective total amounts disclosed separately for each of these types of expenses.

(b) As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: RMBNil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. TAXATION

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

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

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

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

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

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

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

10. TAXATION (Continued)

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

	2024 **RMB'000**	2023 RMB'000
Profit before taxation	**18,403,553**	4,949,942
Tax at the PRC enterprise income tax rate of 25% (2023: 25%)	**4,600,888**	1,237,486
Tax effect of expenses not deductible	**534,101**	316,551
Tax effect of non-taxable income	**(3,068,523)**	(541,085)
Tax effect of unrecognised tax losses	**513,395**	306,135
Tax effect of unrecognised deductible temporary differences	**126,540**	5,599
Utilisation of previously unrecognised tax losses/deductible temporary differences	**(41,145)**	(62,981)
Tax effect of different tax rates of entities operating in other jurisdictions	**74,754**	(75,044)
Deferred tax charge related to withholding tax on undistributed profits from the PRC subsidiaries (note 35)	**84,981**	23,897
Withholding tax on dividend declared by subsidiaries, a joint venture and associates	**628,832**	396,705
Effect of tax concessions and lower tax rates for certain PRC subsidiaries	**(796,025)**	(437,087)
Super Deduction for research and development costs	**(1,278,350)**	(893,097)
Changes in opening balance of deferred tax assets/liabilities arising from changes in tax rate	**41,870**	(304,964)
Under-provision in prior years	**183,140**	42,809
Tax expense for the year	**1,604,458**	14,924

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

11. DIVIDENDS

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

	2024 **RMB'000**	2023 RMB'000
Final dividend proposed after the end of the reporting period of Hong Kong dollars ("**HK$**") 0.33 (2023: HK$0.22) per ordinary share	**3,113,411**	2,033,286

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

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

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

(c) Distribution on perpetual capital securities

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

11. DIVIDENDS (Continued)

(d) Distribution on special dividend

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

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

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

Profit attributable to ordinary equity holders of the Company

	2024 **RMB'000**	2023 RMB'000
Profit for the year attributable to the equity holders of the Company	**16,632,398**	5,308,408
Distribution paid on perpetual capital securities (note 11(c))	**(144,840)**	(142,437)
Profit for the year attributable to ordinary equity holders of the Company	**16,487,558**	5,165,971

12. EARNINGS PER SHARE (Continued)

(a) Basic earnings per share (Continued)

Weighted average number of ordinary shares (basic)

	2024	2023
Issued ordinary shares as at 1 January (note 30)	**10,063,382,383**	10,056,973,786
Effect of share options exercised	**353,834**	–
Effect of award shares vested	**2,099,281**	2,194,725
Weighted average number of ordinary shares as at 31 December	**10,065,835,498**	10,059,168,511

(b) Diluted earnings per share

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

Weighted average number of ordinary shares (diluted)

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

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

(a) Directors' and chief executive's remuneration

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules and section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

2024

Name of directors	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Rental allowance RMB'000	Retirement scheme contribution RMB'000	Sub-total RMB'000	Equity settled share-based payments RMB'000 (note (i))	Total RMB'000
Executive directors								
Mr. An Cong Hui (note (ii))	9	–	–	–	–	9	25,361	25,370
Mr. Ang Siu Lun, Lawrence (note (iii))	–	2,137	1,327	–	17	3,481	2,137	5,618
Mr. Gan Jia Yue	9	–	–	–	–	9	12,104	12,113
Mr. Gui Sheng Yue (Chief Executive Officer)	–	4,185	1,430	596	33	6,244	25,766	32,010
Mr. Li Dong Hui, Daniel (Vice Chairman)	9	–	–	–	–	9	19,662	19,671
Mr. Li Shu Fu (Chairman)	–	359	–	–	17	376	–	376
Mr. Mao Jian Ming, Moosa (note (iv))	–	1,326	–	–	8	1,334	666	2,000
Ms. Wei Mei	9	–	–	–	–	9	8,755	8,764
Independent non-executive directors								
Mr. An Qing Heng	331	–	–	–	–	331	–	331
Mr. Wang Yang	331	–	–	–	–	331	–	331
Ms. Gao Jie	331	–	–	–	–	331	–	331
Ms. Yu Li Ping, Jennifer (note (v))	331	–	–	–	–	331	–	331
Mr. Zhu Han Song (note (v))	331	–	–	–	–	331	–	331
	1,691	8,007	2,757	596	75	13,126	94,451	107,577

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's remuneration (Continued)

2023

Name of directors	Fees RMB'000	Salaries RMB'000	Discretionary bonuses RMB'000	Rental allowance RMB'000	Retirement scheme contribution RMB'000	Sub-total RMB'000	Equity settled share–based payments RMB'000 (note (i))	Total RMB'000
Executive directors								
Mr. An Cong Hui (note (ii))	9	–	–	–	–	9	28,898	28,907
Mr. Ang Siu Lun, Lawrence (note (iii))	–	3,814	1,291	–	33	5,138	3,803	8,941
Mr. Gan Jia Yue	9	–	–	–	–	9	13,229	13,238
Mr. Gui Sheng Yue (Chief Executive Officer)	–	4,112	1,392	586	33	6,123	18,796	24,919
Mr. Li Dong Hui, Daniel (Vice Chairman)	9	–	–	–	–	9	18,757	18,766
Mr. Li Shu Fu (Chairman)	–	353	–	–	16	369	–	369
Ms. Wei Mei	9	–	–	–	–	9	9,266	9,275
Independent non-executive directors								
Mr. An Qing Heng	325	–	–	–	–	325	–	325
Mr. Wang Yang	325	–	–	–	–	325	–	325
Ms. Gao Jie	325	–	–	–	–	325	–	325
Ms. Lam Yin Shan, Jocelyn (note (vi))	256	–	–	–	–	256	–	256
Ms. Yu Li Ping, Jennifer (note (v))	76	–	–	–	–	76	–	76
Mr. Zhu Han Song (note (v))	76	–	–	–	–	76	–	76
	1,419	8,279	2,683	586	82	13,049	92,749	105,798

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's remuneration (Continued)

Notes:

(i) These mainly represent the estimated value of share options granted to the directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policy for equity settled share-based payments as set out in note 4(p) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share Options" in the Directors' Report and note 38 to the consolidated financial statements.

(ii) Mr. An Cong Hui resigned as an executive director of the Company on 10 May 2024.

(iii) Mr. Ang Siu Lun, Lawrence retired as an executive director of the Company on 1 July 2024.

(iv) Mr. Mao Jian Ming, Moosa was appointed as an executive director of the Company on 12 July 2024.

(v) Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song were appointed as independent non-executive directors of the Company on 9 October 2023.

(vi) Ms. Lam Yin Shan, Jocelyn resigned as independent non-executive director of the Company on 16 October 2023.

(vii) No director waived any emoluments during the years ended 31 December 2024 and 2023.

(viii) No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the years ended 31 December 2024 and 2023.

13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

Of the five individuals with the highest emoluments, five (2023: four) were directors of the Company whose emoluments are included in the disclosures in note 13(a) above. The aggregate of the emoluments in respect of the remaining one individual for the year ended 31 December 2023 are as follows:

	2024 **RMB'000**	2023 RMB'000
Salaries and allowances	**–**	–
Discretionary bonuses	**–**	–
Retirement scheme contributions	**–**	–
Equity settled share-based payments	**–**	10,698
	–	10,698

The emoluments of the one individual for the year ended 31 December 2023 with the highest emoluments are within the following bands:

	2024 **Number of** **individuals**	2023 Number of individuals
HK$11,500,001 – HK$12,000,000	**–**	1

Note: No emoluments were paid by the Group to the remaining one individual as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the year ended 31 December 2023.

14. PROPERTY, PLANT AND EQUIPMENT

	CIP RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Furniture and fixtures, office equipment and motor vehicles RMB'000	Total RMB'000
COST						
At 1 January 2023	3,301,180	15,806,007	21,843,567	34,034	3,478,229	44,463,017
Additions	4,167,489	1,781,034	496,070	469,805	420,981	7,335,379
Transfer from CIP	(4,149,397)	749,520	3,070,860	–	329,017	–
Transfer to CIP	593,592	–	(1,027,266)	–	(18,180)	(451,854)
Disposals/written off	(125,070)	(16,998)	(1,396,841)	(6,862)	(160,446)	(1,706,217)
Early termination/expiration of leases	–	(268,517)	–	–	–	(268,517)
Exchange realignment	–	14,501	(239)	–	9	14,271
Acquisition through business combination (note 40)	12,852	1,804,347	401,780	–	21,696	2,240,675
Reclassified as held for sale (note 25)	(1,949,344)	(2,735,372)	(7,941,933)	(9,601)	(496,215)	(13,132,465)
At 31 December 2023 and 1 January 2024	1,851,302	17,134,522	15,445,998	487,376	3,575,091	38,494,289
Lease reassessment (note 27)	–	160,839	–	–	–	160,839
Additions	1,590,673	810,305	579,113	386,822	357,027	3,723,940
Transfer from CIP	(2,865,539)	322,007	2,192,396	–	351,136	–
Disposals/written off	(30,950)	(2,744)	(973,351)	(7,470)	(156,034)	(1,170,549)
Disposed of through disposal of a subsidiary	–	–	–	–	(99,957)	(99,957)
Early termination/expiration of leases	–	(707,597)	–	–	–	(707,597)
Exchange realignment	–	(33,066)	968	–	(97)	(32,195)
Acquisition through business combination (note 40)	18,322	60,927	68,336	–	20,285	167,870
At 31 December 2024	**563,808**	**17,745,193**	**17,313,460**	**866,728**	**4,047,451**	**40,536,640**

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	CIP RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Leasehold improvements RMB'000	Furniture and fixtures, office equipment and motor vehicles RMB'000	Total RMB'000
DEPRECIATION AND IMPAIRMENT	–	2,633,070	7,848,229	20,051	1,760,248	12,261,598
At 1 January 2023						
Charge for the year	–	1,375,340	1,448,665	334,363	502,232	3,660,600
Transfer to CIP	–	–	(435,566)	–	(16,288)	(451,854)
Written back on disposals/written off	–	(10,041)	(1,035,428)	(6,435)	(88,227)	(1,140,131)
Early termination/expiration of leases	–	(69,590)	–	–	–	(69,590)
Exchange realignment		–	(156)	–	–	(156)
Impairment loss (note (c))	–	–	202,175	–	3,281	205,456
Reclassified as held for sale (note 25)	–	(341,181)	(2,708,348)	(4,913)	(267,732)	(3,322,174)
At 31 December 2023 and 1 January 2024	–	3,587,598	5,319,571	343,066	1,893,514	11,143,749
Charge for the year	–	1,362,141	1,842,484	410,762	517,868	4,133,255
Written back on disposals/written off	–	–	(694,951)	–	(51,558)	(746,509)
Early termination/expiration of leases	–	(657,490)	–	–	–	(657,490)
Impairment loss (note (c))	–	–	272,144	–	7,655	279,799
At 31 December 2024	**–**	**4,292,249**	**6,739,248**	**753,828**	**2,367,479**	**14,152,804**
NET BOOK VALUE						
At 31 December 2024	**563,808**	**13,452,944**	**10,574,212**	**112,900**	**1,679,972**	**26,383,836**
At 31 December 2023	1,851,302	13,546,924	10,126,427	144,310	1,681,577	27,350,540

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

(a) As at 31 December 2024 and 2023, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	2024 **RMB'000**	2023 RMB'000	**2024** **RMB'000**	2023 RMB'000
Buildings	**2,432,043**	2,658,368	**887,664**	863,556
Plant and equipment	**3,493**	4,036	**543**	362
Motor vehicles	**28,910**	9,000	**25,008**	9,602
	2,464,446	2,671,404	**913,215**	873,520

During the year ended 31 December 2024, the total additions (excluding through a business combination) to right-of-use assets included in property, plant and equipment amounting to RMB709,416,000 (2023: RMB1,405,508,000). The details in relation to these leases are set out in note 27.

(b) The title certificates of certain buildings with an aggregate carrying value of RMB268,727,000 (2023: RMB1,227,611,000) are yet to be obtained as at 31 December 2024. The directors of the Company are of the opinion that the relevant certificates would be obtained in the near future, the Group is entitled to lawfully and validly occupy and use the buildings, and therefore the aforesaid matter did not have any significant impact on the Group's financial positions as at 31 December 2024 and 2023.

(c) During the year ended 31 December 2023, due to certain plants, machinery, and office equipment being idle or unused, the management of the Group conducted an impairment assessment of these assets. The impairment assessment involved a thorough analysis of the assets' remaining useful lives, market values, and future cash flows. Based on the assessment, it was determined that the assets had suffered a significant decline in their recoverable amounts, leading to a full impairment loss of RMB205,456,000 being recognised for these assets. In addition, a full impairment loss of RMB279,799,000 was recognised for the year ended 31 December 2024. For the impairment assessment of the property, plant and equipment during the year ended 31 December 2024, please refer to note 15 for further details.

15. INTANGIBLE ASSETS

	Capitalised product development costs RMB'000
COST	
At 1 January 2023	40,062,471
Acquisition through business combination (note 40)	1,965
Additions	10,678,425
Reclassified as held for sale (note 25)	(7,267,385)
At 31 December 2023 and 1 January 2024	43,475,476
Additions	10,643,384
Disposals/written off	(404,056)
At 31 December 2024	**53,714,804**
AMORTISATION AND IMPAIRMENT	
At 1 January 2023	17,514,766
Charge for the year	4,449,212
Reclassified as held for sale (note 25)	(2,408,316)
At 31 December 2023 and 1 January 2024	19,555,662
Charge for the year	5,165,923
Impairment losses (note (b))	638,266
Disposals/written off	(395,558)
At 31 December 2024	**24,964,293**
NET BOOK VALUE	
At 31 December 2024	**28,750,511**
At 31 December 2023	23,919,814

15. INTANGIBLE ASSETS (Continued)

(a) The amortisation charge for the year is mainly included in "Research and development expenses" in the consolidated income statement. As at 31 December 2024, the proportion of intangible assets not yet available for use to total intangible assets was approximately 38% (2023: 54%).

(b) Throughout the year 2024, the rapid development of the automotive industry intensified competition, leading to fierce price wars. The swift advancement and iteration of technology accelerated the upgrade of vehicle models, posing additional challenges to the sales and profitability of models that have become obsolete.

Towards the year end of 2024, the Group optimised its brand strategy based on the latest market conditions and outlook. This led to a reassessment of the product portfolio of vehicle models. As a result, certain models (mainly those that have become obsolete) showed the possibility of elimination or impact on their future economic performance. Consequently, impairment losses for property, plant and equipment and intangible assets were recognised in relation to these models to reflect their respective net realisable values and reduced recoverable amounts.

In accordance with the relevant provisions of HKAS 36, the Group conducted a thorough assessment and analysis of property, plant and equipment and intangible assets within the scope of the consolidated financial statements as at 31 December 2024. For those property, plant and equipment and intangible assets showing signs of impairment, the Group engaged an independent third-party valuer to perform the impairment testing and made the necessary impairment losses.

The intangible assets and property, plant, and equipment are tested whenever events or changes in circumstances indicate that the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Determination of the value in use involves management judgement to assess whether the carrying value of the intangible assets and property, plant, and equipment can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain areas, including management's expectations of (i) future free cash flows; (ii) estimated annual revenue growth rates; and (iii) the selection of discount rates to reflect the risks involved.

15. INTANGIBLE ASSETS (Continued)

The property, plant and equipment and intangible assets related to the above types of automobiles are tested for impairment based on the recoverable amounts of the CGUs to which these assets are related. The recoverable amounts of CGUs have been determined based on a value in use model and involved the use of estimates. These calculations use cash flow projections based on financial budgets approved by management, the annual sales growth rate ranges from negative 15.3% to positive 1.7%, based on past performance and management's expectations of market development. The pre-tax discount rate at 13.7% was applied to the cash flow projections used for value in use calculations. The negative annual sales growth rate of 15.3% reflects the challenging market conditions and decreased demand for the related types of automobiles. This assumption is crucial for the impairment testing as it significantly impacts the recoverable amounts of the CGUs.

Based on the above assessment, the recoverable amounts of the CGUs are RMB540,650,000, leading to impairment losses of the intangible assets and property, plant, and equipment of RMB638,266,000 and RMB279,799,000, respectively, which have been recognised during the year ended 31 December 2024.

16. LAND LEASE PREPAYMENTS

	2024 RMB'000	2023 RMB'000
The Group's land lease prepayments comprise:		
Outside Hong Kong, held on:		
– Leases of between 10 to 50 years	**4,126,098**	3,600,084
Opening net carrying amount	**3,600,084**	3,401,795
Additions	**488,789**	125,123
Acquisition through business combination (note 40)	**131,509**	617,860
Disposals	**–**	(33,949)
Annual depreciation charges of land lease prepayments	**(94,284)**	(92,950)
Reclassified as held for sale (note 25)	**–**	(417,795)
Closing net carrying amount	**4,126,098**	3,600,084

The land lease prepayments fall into the scope of HKFRS 16 "Leases" ("**HKFRS 16**") as they meet the definition of right-of-use assets.

The land use right certificates of certain lands with an aggregate carrying value of RMB29,534,000 (2023: RMB609,003,000) are yet to be obtained as at 31 December 2024. The directors of the Company are of the opinion that the relevant certificates would be obtained in the near future, the Group is entitled to lawfully and validly occupy and use the lands, and therefore the aforesaid matter did not have any significant impact on the Group's financial positions as at 31 December 2024 and 2023.

17. GOODWILL

	2024 RMB'000	2023 RMB'000
Carrying amount		
At 1 January	**34,218**	61,418
Arising on business combination (note 40)	**–**	2,891
Reclassified as held for sale (note 25)	**–**	(30,091)
At 31 December	**34,218**	34,218

The carrying amount of goodwill is allocated to the CGUs of manufacturing and research and development of (a) complete knock-down kits, (b) powertrain and (c) battery packs. The recoverable amounts of the CGUs are determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management. The cash flows are discounted using a discount rate which is pre-tax and reflects specific risks relating to the relevant segments. The pre-tax discount rate used to determine the recoverable amounts is approximately 12% (2023: 12.5%). The values assigned to the key assumptions on market development and discount rates are consistent with external information sources. During the year ended 31 December 2024, the directors of the Company conducted a review of goodwill and no impairment loss in respect of goodwill has been recognised (2023: RMBNil).

Management considered and assessed that a reasonably possible change in the key assumption would not cause the carrying amounts of CGUs to exceed their recoverable amounts.

18. INTERESTS IN ASSOCIATES

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

18. INTERESTS IN ASSOCIATES (Continued)

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

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				2024	2023	
Hanna Mando (Ningbo) Automobile Chassis System Technology Co., Limited# ("**Hanna Mando (Ningbo)**") 漢拿萬都(寧波)汽車底盤系統科技有限公司	The PRC	Incorporated	United States dollars ("**US$**") 85,000,000	**35%**	35%	Manufacturing of key components and electronic devices of automobile chassis
Closed Joint Stock Company BELGEE ("**BELGEE**")	The Republic of Belarus	Incorporated	Belarusian Ruble 234,535,000	**36.7%**	36.7%	Production, marketing and sales of vehicles
PT Geely Mobil Indonesia	The Republic of Indonesia	Incorporated	US$3,260,200	**30%**	30%	Production, marketing and sales of vehicles
Times Geely Power Battery Company Limited# ("**Times Geely**") 時代吉利動力電池有限公司	The PRC	Incorporated	RMB501,000,000	**49%**	49%	Research and development, manufacture and sales of battery cells, battery modules, and battery packs
Zhejiang Haohan Energy Technology Company Limited# ("**Haohan Energy**") 浙江浩瀚能源科技有限公司	The PRC	Incorporated	RMB500,000,000	**30%**	30%	Research and development of automobile charging systems and technologies, provision of automobile charging services and operation of automobile charging points and network
Wuxi InfiMotion Technology Co., Ltd. ("**InfiMotion**") 無錫星驅科技有限公司	The PRC	Incorporated	RMB70,000,000 (2023: RMB61,250,000)	**24.15%**	27.6%	Research and development of automobile parts and components
Zhejiang Shuangli Automobile Intelligent Technology Company Limited# 浙江雙利汽車智能科技有限公司	The PRC	Incorporated	RMB90,000,000	**35%**	35%	Research, development and manufacturing of automobiles parts
Renault Korea Co., Ltd. ("**Renault Korea**") (formerly known as Renault Korea Motors Co., Ltd.)	The Republic of Korea	Incorporated	South Korean Won ("**KRW**") 666,875,000,000	**34.02%**	34.02%	Design, development, manufacturing, production, assembly, sales, distribution, import, export and marketing of automobiles, related parts and accessories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. INTERESTS IN ASSOCIATES (Continued)

Name of associates	Place of establishments and operations	Form of business structure	Particulars of issued and paid up/registered capital	Attributable equity interest held by the Group		Principal activities
				2024	2023	
Guangdong Xinyueneng Semiconductor Company Limited# ("**Xinyueneng**") 廣東芯粵能半導體有限公司	The PRC	Incorporated	RMB457,931,035 (2023: RMB400,000,000)	**26.07%**	– (note 19)	Provision of integrated circuit design, manufacturing, sales, and semiconductor manufacturing
Chongqing Livan Automotive Technology Company Limited# ("**Chongqing Livan**") 重慶睿藍汽車科技有限公司	The PRC	Incorporated	RMB1,450,000,000	**-***	45%	Research and development, sales and operations of vehicles (including but not limited to battery swapping vehicles)
Zhejiang Xingchuang Automotive Software Technology Co., Ltd.# 浙江星創汽車軟件科技有限公司	The PRC	Incorporated	RMB40,000,000	**45%**	45%	Research and development of automotive software
Hangzhou Qingwei Technology Company Limited# 杭州擎威科技有限公司	The PRC	Incorporated	RMB100,000,000	**30%**	30%	Research, development and manufacturing of automobiles parts and electronic control system
Shangjian (Zhejiang) Motor Vehicle Inspection Technology Company Limited# 上檢(浙江)機動車檢測技術有限公司	The PRC	Incorporated	RMB60,000,000	**30%**	30%	Provision of high-quality testing and technical services for the development of new energy vehicles and intelligent connected vehicles
PROTON Holdings Berhad ("**PROTON**")	Malaysia	Incorporated	Malaysian Ringgit ("**RM**") 1,009,513,000	**49.9%**	49.9%	Manufacturing and sales of vehicles under the "PROTON" brand in Southeast Asia
DRB-HICOM Geely Sdn. Bhd. ("**DHG**")	Malaysia	Incorporated	RM1,000	**49.9%**	49.9%	Investment holding

All associates are indirectly held by the Company.

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

Chongqing Livan

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

18. INTERESTS IN ASSOCIATES (Continued)

Renault Korea

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

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

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

InfiMotion

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

Xinyueneng

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

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

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

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

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

18. INTERESTS IN ASSOCIATES (Continued)

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

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

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

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

18. INTERESTS IN ASSOCIATES (Continued)

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

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

18. INTERESTS IN ASSOCIATES (Continued)

Aggregate financial information of associates that are not individually material:

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

19. INTERESTS IN JOINT VENTURES

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

19. INTERESTS IN JOINT VENTURES (Continued)

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

Name of joint ventures	Place of establishments and operations	Form of business structure	Particulars of registered capital	Proportion of ownership interest held by the Group		Principal activities
				2024	2023	
Genius AFC*	The PRC	Incorporated	RMB4,000,000,000	**75%**	75%	Vehicles financing business
LYNK & CO Automotive Technology	The PRC	Incorporated	RMB7,500,000,000	**50%**	50%	Manufacturing and sales of vehicles under the "Lynk&Co" brand
Zhejiang AISIN	The PRC	Incorporated	US$117,000,000	**40%**	40%	Manufacturing and sales of front-wheel drive 8-speed automatic transmissions and related parts and components
Geely Sunwoda	The PRC	Incorporated	RMB100,000,000	**41.5%**	41.5%	Development, production, sales and after-sales service of hybrid battery cells, battery modules, and battery packs
Xinyueneng	The PRC	Incorporated	RMB457,931,035 (2023: RMB400,000,000)	**– (note 18)**	40%	Provision of integrated circuit design, manufacturing, sales and the manufacturing of semiconductors
Horse Powertrain	The United Kingdom	Incorporated	Euro ("**EUR**") 6,000,000,000	**29.7%**	–	Research, development, production and sales of vehicle engines, transmissions and related after-sales parts

* Genius AFC is directly held by the Company.

19. INTERESTS IN JOINT VENTURES (Continued)

Genius AFC

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

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

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

Zhejiang AISIN

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

19. INTERESTS IN JOINT VENTURES (Continued)

Horse Powertrain

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

On 11 July 2023, the Parties executed contribution and joint venture agreements to form Horse Powertrain, which will engage in the manufacturing and sales of powertrain business. Under these agreements, the Company agreed to contribute its entire equity interest in Aurobay Holding and its subsidiaries ("**Aurobay Holding Group**") to Horse Powertrain. The contribution value of each subsidiary's entire issued share capital (the "**Contribution Values**") will be determined by the enterprise value of each subsidiary, adjusted for cash, debts, debt-like instruments, and minority interests. The maximum contribution values agreed by the Parties were EUR2,310,000,000 for the Company, EUR1,190,000,000 for Geely Holding, and EUR3,500,000,000 for Renault, subject to adjustments in the ratio of 33:17:50 respectively. As at 31 December 2023, the assets and liabilities of Aurobay Holding were classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" ("**HKFRS 5**"). Please refer to note 25 for further details.

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

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

19. INTERESTS IN JOINT VENTURES (Continued)

Horse Powertrain (Continued)

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

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

19. INTERESTS IN JOINT VENTURES (Continued)

Horse Powertrain (Continued)

Investment from Aramco Asia Singapore

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

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

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

19. INTERESTS IN JOINT VENTURES (Continued)

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

	Horse Powertrain Group	**LYNK & CO Group**	
	2024 RMB'000	**2024 RMB'000**	2023 RMB'000
Non-current assets	**69,641,928**	**18,594,138**	22,867,065
Current assets	**31,620,209**	**28,588,178**	23,199,325
Current liabilities	**(25,879,873)**	**(37,170,835)**	(34,363,313)
Non-current liabilities	**(20,070,309)**	**(4,751,167)**	(4,898,518)
Net assets	**55,311,955**	**5,260,314**	6,804,559
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	**7,650,198**	**2,136,946**	4,690,344
Current financial liabilities (excluding trade and other payables and provisions)	**(2,541,414)**	**(1,547,308)**	(4,670,930)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(15,666,271)**	**(2,969,759)**	(3,767,263)

	Genius AFC	
	2024 RMB'000	2023 RMB'000
Total assets	**60,733,584**	59,390,922
Total liabilities	**(52,191,673)**	(51,319,182)
Net assets	**8,541,911**	8,071,740
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**4,752,362**	4,284,058
Financial liabilities (excluding trade and other payables and provisions)	**(49,453,422)**	(48,265,003)

19. INTERESTS IN JOINT VENTURES (Continued)

	Horse Powertrain Group	LYNK & CO Group		Genius AFC	
	For the period from 31 May 2024 (date of completion) to 31 December	For the year ended 31 December		For the year ended 31 December	
	2024	**2024**	2023	**2024**	2023
	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Revenue	**54,713,640**	**46,169,553**	34,786,563	**4,071,776**	4,405,778
Profit/(Loss) for the period/year	**1,149,291**	**(1,627,656)**	(1,104,660)	**1,070,170**	1,212,845
Other comprehensive (expense)/income for the period/year	**(1,534,749)**	**77,610**	(92,546)	**–**	–
Total comprehensive (expense)/income for the period/year	**(385,458)**	**(1,550,046)**	(1,197,206)	**1,070,170**	1,212,845
Movement of reserves	**(18,834)**	**–**	–	**–**	–
Dividends received from a joint venture	**–**	**–**	–	**450,000**	300,000
The above profit/(loss) for the period/year including the following:					
Depreciation and amortisation	**(4,680,464)**	**(4,185,648)**	(3,436,035)	**(51,121)**	(54,406)
Interest income	**138,658**	**198,799**	113,880	**3,834,726**	4,216,499
Interest expense	**(535,780)**	**(503,245)**	(322,568)	**(1,468,294)**	(1,623,217)
Income tax (expense)/credit	**(55,645)**	**(54,023)**	497,971	**(419,468)**	(492,998)

19. INTERESTS IN JOINT VENTURES (Continued)

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

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

Note: As at the date of authorisation of these consolidated financial statements, the valuation of Horse Powertrain's identifiable assets and liabilities is ongoing. Accordingly, the assets contributed and liabilities recognised at the completion date have been determined on a provisional basis, with no provisional goodwill recognised. Upon finalisation of the valuation, goodwill arising from completion may change accordingly and may be adjusted within one year of the completion date, in accordance with HKFRS 3 (Revised) "Business Combinations".

19. INTERESTS IN JOINT VENTURES (Continued)

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

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

20. INVENTORIES

	2024 RMB'000	2023 RMB'000
Raw materials	2,392,382	2,760,459
Work in progress	319,170	164,071
Finished goods	20,552,704	12,750,608
	23,264,256	15,675,138
Less: provision for inventories	(185,942)	(252,919)
	23,078,314	15,422,219

21. TRADE AND OTHER RECEIVABLES

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

21. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

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

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

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

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

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

21. TRADE AND OTHER RECEIVABLES (Continued)

(b) Notes receivable

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

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

As at 31 December 2024, the Group endorsed certain notes receivable accepted by banks in the PRC (the "**Endorsed Notes**") with a carrying amount of RMB799,337,000 (2023: RMB134,297,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. As at 31 December 2024, the aggregate carrying amount of the trade payables settled by the Endorsed Notes during the year to which the suppliers have recourse was RMB799,337,000 (2023: RMB134,297,000).

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

21. TRADE AND OTHER RECEIVABLES (Continued)

(c) Other contract costs

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

(d) Loan to an associate

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

(e) Loans to the joint ventures

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

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

In October 2024, a loan agreement with Horse Powertrain was signed by the Parties (as defined in note 19) and the Group recognised the loan to a joint venture amounted to approximately EUR215,451,000 (equivalent to RMB1,632,019,000 as at 31 December 2024). The loan was denominated in EUR, unsecured and carried at amortised cost. It also carries an interest rate of 3-month EURIBOR plus a margin of 2.75% per annum and is repayable in May 2027. For details, please refer to note 19.

The above loans were granted on terms equivalent to those that prevail in arm's length transactions with independent third parties.

(f) Amounts due from related companies

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

Further details on the Group’s credit policy and credit risk arising from trade receivables, other financial assets measured at amortised cost and debt instruments at FVOCI (recycling) are set out in note 44.

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group held foreign exchange forward contracts classified as held for trading and not qualified under hedge accounting. Foreign exchange forward contracts entered into by the Group with banks were financial liabilities measured at FVTPL. The fair value of these contracts has been measured as described in note 44.

As at 31 December 2024 and 2023, the Group had entered into the following foreign exchange forward contracts, which remained outstanding at the end of the reporting period:

2024

Contracts	Notional amount	Settlement date	Term	Forward rate on foreign exchange
A	EUR41,000,000	8 January 2025 to 8 May 2025	43 days to 148 days	RMB7.58 to RMB7.89 per EUR1.00
B	EUR12,000,000	8 January 2025 to 3 April 2025	44 days to 146 days	RMB7.58 to RMB7.80 per EUR1.00
C	Mexican Peso ("**MXN**") 28,000,000	8 January 2025 to 8 January 2025	45 days to 132 days	RMB0.35 to RMB0.36 per MXN1.00
D	MXN25,000,000	8 January 2025	136 days	RMB0.35 per MXN1.00
E	US$6,000,000	15 January 2025	30 days	RMB7.05 per US$1.00
F	US$23,000,000	15 January 2025 to 18 February 2025	310 days to 334 days	RMB7.03 to RMB7.08 per US$1.00
G	US$27,000,000	5 March 2025 to 3 July 2025	196 days to 310 days	RMB6.92 to RMB7.14 per US$1.00
	MXN117,000,000	26 February 2025 to 15 April 2025	66 days to 139 days	RMB0.35 to RMB0.36 per MXN1.00
	Chilean Peso ("**CLP**") 1,675,000,000	21 March 2025 to 22 April 2025	108 days to 140 days	CLP975 to CLP977 per US$1.00
H	US$50,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.82 per US$1.00
I	US$50,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.83 per US$1.00
J	US$100,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.82 per US$1.00
K	MXN52,000,000	26 February 2025 to 8 May 2025	66 days to 136 days	RMB0.35 to RMB0.36 per MXN1.00
L	US$77,000,000	5 March 2025 to 5 August 2025	192 days to 313 days	RMB6.86 to RMB7.17 per US$1.00
	CLP2,931,000,000	21 January 2025 to 24 February 2025	51 days to 78 days	CLP970 to CLP975 per US$1.00

2023

Contracts	Notional amount	Settlement date	Term	Forward rate on foreign exchange
A	EUR15,000,000	10 January 2024 to 17 April 2024	113 days to 160 days	RMB7.74 to RMB7.80 per EUR1.00
B	EUR31,000,000	20 February 2024 to 17 April 2024	113 days to 146 days	RMB7.82 to RMB7.85 per EUR1.00
C	EUR37,000,000	3 January 2024 to 20 May 2024	16 days to 153 days	RMB7.77 to RMB7.81 per EUR1.00
D	US$98,000,000	25 January 2024 to 10 October 2024	64 days to 336 days	RMB6.62 to RMB7.01 per US$1.00
E	MXN131,000,000	25 January 2024 to 24 May 2024	29 days to 149 days	RMB0.40 to RMB0.42 per MXN1.00
F	US$98,000,000	4 January 2024 to 5 August 2024	31 days to 222 days	RMB6.96 to RMB7.13 per US$1.00
	MXN31,000,000	25 January 2024 to 25 March 2024	29 days to 120 days	RMB0.41 to RMB0.42 per MXN1.00
G	US$119,000,000	1 February 2024 to 10 October 2024	60 days to 335 days	RMB6.98 to RMB7.10 per US$1.00
H	US$50,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.82 per US$1.00
I	US$50,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.83 per US$1.00
J	US$100,000,000	12 August 2025 to 2 September 2025	1,077 days to 1,099 days	RMB6.82 per US$1.00

23. RESTRICTED BANK DEPOSITS

The amounts represent deposits placed at banks as guarantee for notes payable and foreign exchange forward contracts.

24. TRADE AND OTHER PAYABLES

	Notes	2024 RMB'000	2023 RMB'000
Trade and notes payables			
Trade payables			
– Third parties		**47,066,117**	34,361,942
– Joint ventures		**2,777,191**	806,737
– Associates		**1,214,899**	327,926
– Related companies controlled by the substantial shareholder of the Company		**19,362,768**	17,880,490
	(a)	**70,420,975**	53,377,095
Notes payable	(b)	**16,019,910**	5,693,442
		86,440,885	59,070,537
Other payables			
Receipts in advance from customers	(c)		
– Third parties		**21,036,444**	13,949,928
– Joint ventures		**75,081**	70,774
– Associates		**264,131**	173,635
– Related companies controlled by the substantial shareholder of the Company		**393,220**	379,308
		21,768,876	14,573,645
Deferred government grants which conditions have not been satisfied		**344,843**	466,150
Payables for acquisition of property, plant and equipment		**1,476,704**	1,451,621
Payables for capitalised product development costs	(d)	**2,560,039**	2,188,584
Accrued staff salaries and benefits		**3,152,901**	2,614,265
VAT and other taxes payables		**3,944,255**	2,297,860
Consideration payable for acquisition of a subsidiary (note 40)		**–**	152,980
Other accrued charges and payables	(e)	**8,974,803**	6,666,555
		42,222,421	30,411,660
Amounts due to related companies controlled by the substantial shareholder of the Company	(f)	**125,939**	637,659
		42,348,360	31,049,319
		128,789,245	90,119,856
Representing:			
– Current		**125,348,530**	87,398,188
– Non-current		**3,410,715**	2,721,668
		128,789,245	90,119,856

24. TRADE AND OTHER PAYABLES (Continued)

(a) Trade payables

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

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

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

(b) Notes payable

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

24. TRADE AND OTHER PAYABLES (Continued)

(c) Receipts in advance from customers

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

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

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

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

24. TRADE AND OTHER PAYABLES (Continued)

(c) Receipts in advance from customers (Continued)

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

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

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

(d) Payables for capitalised product development costs

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

(e) Other accrued charges and payables

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

(f) Amounts due to related companies

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

25. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

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

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

	2023 RMB'000
Assets classified as held for sale	
Property, plant and equipment (note 14)	9,810,291
Intangible assets (note 15)	4,859,069
Land lease prepayments (note 16)	417,795
Goodwill (note 17)	30,091
Trade and other receivables	1,196,477
Deferred tax assets (note 35)	498,213
Inventories	559,878
Income tax recoverable	7,263
Restricted bank deposits	239,732
Bank balances and cash	1,029,330
	18,648,139
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	7,122,130
Lease liabilities	82,181
Borrowings	662,813
Income tax payable	17,094
Deferred tax liabilities (note 35)	800
	7,885,018

During the year ended 31 December 2024, the deemed disposal of Aurobay Holding Group was completed. Please refer to note 19 for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. FINANCIAL ASSETS AT FVOCI

	2024 RMB'000	2023 RMB'000
Equity investment stated at fair value		
Listed in the United States	**78,797**	117,746

The Group designated its investment in the listed equity securities as financial assets at FVOCI (non-recycling). Such investment is held for the strategic purpose and the Group considers this classification to be more relevant and appropriate.

The fair value of the Group's investment in the listed equity securities has been measured as described in note 44.

27. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2024 RMB'000	2023 RMB'000
Total minimum lease payments:		
Due within one year	**870,939**	831,149
Due in the second to fifth years	**1,920,482**	2,047,207
	2,791,421	2,878,356
Future finance charges on lease liabilities	**(225,779)**	(218,407)
Present value of lease liabilities	**2,565,642**	2,659,949
Present value of minimum lease payments:		
Due within one year	**803,204**	753,611
Due in the second to fifth years	**1,762,438**	1,906,338
	2,565,642	2,659,949
Less: Portion due within one year included under current liabilities	**(803,204)**	(753,611)
Portion due after one year included under non-current liabilities	**1,762,438**	1,906,338

During the year ended 31 December 2024, the total cash outflows for the leases are RMB1,314,481,000 (2023: RMB1,035,975,000).

27. LEASE LIABILITIES (Continued)

Details of the lease activities

As at 31 December 2024, the Group has entered into leases for office and factory premises, retail and service centres and motor vehicles (2023: office and factory premises, retail and service centres and motor vehicles).

Types of right-of-use assets	Financial statements items of right-of-use assets included in	Number of leases	Range of remaining lease term	Particulars
Office and factory premises	Buildings in "Property, plant and equipment"	74 (2023: 89)	1 to 10 years (2023: 1 to 18 years)	• *Not contain any renewal and termination options* • *Contain both fixed and variable payments during the contract period*
Retail and service centres	Buildings in "Property, plant and equipment"	322 (2023: 342)	1 to 6 years (2023: 1 to 6 years)	• *Not contain any renewal and termination options* • *Fixed payments during the contract period*
Motor vehicles	Furniture and fixtures, office equipment and motor vehicles in "Property, plant and equipment"	326 (2023: 85)	1 to 2 years (2023: Within 1 year)	• *Not contain any renewal and termination options* • *Fixed payments during the contract period*

28. BANK BORROWINGS

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

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

Notes:

(a) The amounts are based on the scheduled repayment dates set out in the loan agreements.

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

(c) As at 31 December 2024, the Group obtained new unsecured borrowings from several banks, totalling RMB444,680,000. RMB200,000 was repaid during the year ended 31 December 2024. The annual interest rate of these borrowings ranged from 2.95% to 3.08%. The loans are repayable ranged from June 2025 to May 2027 and are denominated in RMB. Two of the facilities were jointly guaranteed by a subsidiary of the Group and Geely Holding, based on their shareholding percentages. One of the facilities was guaranteed solely by a subsidiary of the Group.

(d) During the years ended 31 December 2024 and 2023, none of the covenants relating to drawn down facilities had been breached.

Further details of the Group's management of liquidity risk were set out in note 44.

29. LOAN FROM A RELATED COMPANY

As at 31 December 2023, the loan from a fellow subsidiary was granted to the Group's subsidiary in the PRC. The loan was unsecured, carried an interest rate of 4.5% (2023: 4.5%) per annum, and was originally scheduled to be repaid in 2032. However, the loan was fully repaid by the end of 2024. The terms of the loan, including the interest rate and repayment schedule, were consistent with those that would be offered to independent third parties in similar transactions.

30. SHARE CAPITAL

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

30. SHARE CAPITAL (Continued)

Notes:

(a) During the year ended 31 December 2024, share options were exercised to subscribe for 5,489,500 ordinary shares of the Company at a consideration of approximately RMB48,577,000 of which approximately RMB102,000 was credited to share capital and approximately RMB48,475,000 was credited to the share premium account. As a result of the exercise of share options, share-based compensation reserve of RMB14,862,000 has been transferred to the share premium account in accordance with the accounting policy set out in note 4(p).

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

(b) During the year ended 31 December 2024, award shares representing a total of 6,129,900 (2023: 6,408,597) ordinary shares were issued under the share award scheme. Meanwhile, 6,137,400 (2023: 6,570,050) award shares were vested to certain participants of the share award scheme of the Company at a consideration of approximately RMB111,000 (2023: RMB121,000). As at 31 December 2024, no award shares (2023: 7,500) were retained and administrated by the appointed trustee for the share award scheme. As a result of the vesting of award shares, share-based compensation reserve of RMB137,094,000 (2023: RMB146,758,000) has been transferred to the share premium account in accordance with the accounting policy set out in note 4(p).

(c) During the year ended 31 December 2024, the Company increased its authorised share capital from HK$240,000,000 (represented by 12,000,000,000 shares of a nominal value of HK$0.02 each) to HK$360,000,000 (represented by 18,000,000,000 shares of a nominal value of HK$0.02 each). This increase was approved by the shareholders at the annual general meeting held on 31 May 2024.

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

31. PERPETUAL CAPITAL SECURITIES

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

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

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

32. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value.

(b) Capital reserve

Capital reserve represents (i) differences between the consideration paid/received and the fair value of net assets acquired/disposed of by the Group from/to Geely Holding, the ultimate holding company of the Company in prior years; (ii) the differences between the considerations paid and the proportionate share of the carrying amount of the net assets attributable to the relevant interest upon the acquisition of additional interests in subsidiaries; and (iii) the differences between the considerations received and the proportionate share of the carrying amount of the net assets attributable to the relevant interests upon the deemed disposal of partial interest in subsidiaries.

(c) Statutory reserve

As stipulated by the relevant laws and regulations for foreign-invested enterprises in the PRC, the Company's subsidiaries incorporated in the PRC are required to maintain certain statutory reserves.

32. RESERVES (Continued)

(d) Safety production fund reserve

Pursuant to the relevant PRC regulation, the Group is required to transfer a certain percentage, based on a progressive rate, of revenue generated from the manufacturing of automobiles into a designated fund. The fund will be used for installation, repair and maintenance of safety facilities. The movement during the year represents the difference between the amounts provided based on the relevant PRC regulation and the amount utilised during the year. The fund is earmarked for improving the safety of production and is accrued from retained profits to other reserves and converted back to retained profits when used. This reserve represents the unutilised safety production fund at the end of the reporting period.

(e) Fair value reserve (recycling)

Fair value reserve (recycling) comprises the cumulative net change in the fair value of financial assets at FVOCI (recycling) (less related deferred tax charge) held at the end of the reporting period.

(f) Fair value reserve (non-recycling)

Fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets at FVOCI (non-recycling) (less related deferred tax charge) held at the end of the reporting period.

(g) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 4(g).

(h) Share-based compensation reserve

Share-based compensation reserve represents the fair value of share options and/or award shares granted to directors, employees, and other related entity participants. It is recognised and dealt with in accordance with the accounting policy set out in note 4(p).

(i) Retained profits

Retained profits represent accumulated net profit or losses less dividends paid plus other transfers to or from other reserves.

33. BONDS PAYABLE

MTNs

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

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

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

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

34. CASH FLOW INFORMATION

Reconciliation of liabilities arising from financing activities

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

	Dividends payable RMB'000	Lease liabilities RMB'000 (note 27)	Bank borrowings RMB'000 (note 28)	Loan from a related company RMB'000 (note 29)	Bonds payable RMB'000 (note 33)	Total RMB'000
At 1 January 2023	–	2,336,008	2,757,960	6,000,000	2,062,396	13,156,364
Changes from financing cash flows:						
Advances from related companies	–	–	–	1,898,730	–	1,898,730
Repayment to a related company	–	–	–	(6,798,730)	–	(6,798,730)
Proceeds from bank borrowings	–	–	662,813	–	–	662,813
Proceeds from issuance of bonds	–	–	–	–	1,500,000	1,500,000
Repayment of bonds payable	–	–	–	–	(2,068,422)	(2,068,422)
Capital element of lease rentals paid	–	(785,958)	–	–	–	(785,958)
Other borrowing costs paid	–	(90,022)	(96,562)	(209,572)	(43,278)	(439,434)
Dividends paid	(1,915,763)	–	–	–	–	(1,915,763)
Total changes from financing cash flows	(1,915,763)	(875,980)	566,251	(5,109,572)	(611,700)	(7,946,764)
Exchange adjustments	–	14,379	82,280	–	5,728	102,387
Other changes:						
Entering into new leases	–	1,391,007	–	–	–	1,391,007
Termination of leases	–	(198,927)	–	–	–	(198,927)
Interest expenses	–	75,643	100,098	181,766	29,020	386,527
Dividends declared (note 11(b))	1,915,763	–	–	–	–	1,915,763
Reclassified as held for sale (note 25)	–	(82,181)	(662,813)	–	–	(744,994)
Others (note)	–	–	(3,536)	27,806	14,556	38,826
Total other changes	1,915,763	1,185,542	(566,251)	209,572	43,576	2,788,202

34. CASH FLOW INFORMATION (Continued)

Reconciliation of liabilities arising from financing activities (Continued)

	Dividends payable RMB'000	Lease liabilities RMB'000 (note 27)	Bank borrowings RMB'000 (note 28)	Loan from a related company RMB'000 (note 29)	Bonds payable RMB'000 (note 33)	Total RMB'000
At 31 December 2023 and 1 January 2024	–	2,659,949	2,840,240	1,100,000	1,500,000	8,100,189
Changes from financing cash flows:						
Advances from related companies	–	–	–	3,000,000	–	3,000,000
Repayment to a related company	–	–	–	(4,100,000)	–	(4,100,000)
Proceeds from bank borrowings	–	–	611,447	–	–	611,447
Proceeds from issuance of bonds	–	–	–	–	2,000,000	2,000,000
Repayment of bank borrowings	–	–	(2,897,720)	–	–	(2,897,720)
Capital element of lease rentals paid	–	(880,043)	–	–	–	(880,043)
Other borrowing costs paid	–	(115,032)	(152,695)	(171,144)	(48,750)	(487,621)
Special dividend paid	(69,661)	–	–	–	–	(69,661)
Dividends paid	(2,050,555)	–	–	–	–	(2,050,555)
Total changes from financing cash flows	(2,120,216)	(995,075)	(2,438,968)	(1,271,144)	1,951,250	(4,874,153)
Exchange adjustments	–	(6,085)	57,280	–	–	51,195
Other changes:						
Entering into new leases	–	693,962	–	–	–	693,962
Lease reassessment (note 14)	–	160,839	–	–	–	160,839
Termination of leases (note 14)	–	(50,107)	–	–	–	(50,107)
Interest expenses	–	86,705	150,723	63,663	68,093	369,184
Dividends declared (notes 11(b) and 11(d))	2,120,216	–	–	–	–	2,120,216
Others (note)	–	15,454	(164,795)	107,481	(19,343)	(61,203)
Total other changes	2,120,216	906,853	(14,072)	171,144	48,750	3,232,891
At 31 December 2024	–	2,565,642	444,480	–	3,500,000	6,510,122

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35. DEFERRED TAX ASSETS AND LIABILITIES

The following is the deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements thereon during the year:

	2024 RMB'000	2023 RMB'000
At 1 January	**(5,787,743)**	(4,035,258)
Acquisition through business combination (note 40)	**(17,964)**	34,602
Disposed of through disposal of a subsidiary	**6,107**	–
Recognised in other comprehensive expense/(income)	**12,128**	(24,398)
Recognised in profit or loss	**(1,989,185)**	(2,260,102)
Reclassified as held for sale (note 25)	**–**	497,413
At 31 December	**(7,776,657)**	(5,787,743)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the years are as follow:

Deferred tax assets

	Unused tax losses RMB'000	Amortisation of intangible assets RMB'000	Unrealised profit on inventories RMB'000	Change in fair value of notes receivable RMB'000	Lease liabilities RMB'000	Provisions and accrued charges RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	2,897,621	1,240,990	104,072	28,000	364,108	45,886	334,354	5,015,031
Recognised in profit or loss	1,044,349	555,906	210,258	–	89,271	132,419	282,151	2,314,354
Recognised in other comprehensive income	–	–	–	24,398	–	–	–	24,398
Acquisition through business combination (note 40)	–	34	–	–	–	–	–	34
Reclassified as held for sale (note 25)	(286,340)	(155,895)	–	(145)	–	–	(55,833)	(498,213)
At 31 December 2023 and 1 January 2024	3,655,630	1,641,035	314,330	52,253	453,379	178,305	560,672	6,855,604
Recognised in profit or loss	1,029,053	206,480	599,006	–	(67,104)	(108,203)	485,838	2,145,070
Recognised in other comprehensive expense	–	–	–	(12,128)	–	–	–	(12,128)
Acquisition through business combination (note 40)	39,629	–	–	–	–	–	–	39,629
Disposed of through disposal of a subsidiary	(6,107)	–	–	–	–	–	–	(6,107)
At 31 December 2024	4,718,205	1,847,515	913,336	40,125	386,275	70,102	1,046,510	9,022,068

35. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Deferred tax liabilities

	Withholding tax on undistributed profits from the PRC subsidiaries RMB'000	Fair value adjustments arising from business combination RMB'000	Right-of-use assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2023	466,530	64,284	364,108	84,851	979,773
Recognised in profit or loss	23,897	(19,620)	78,829	(28,854)	54,252
Acquisition through business combination (note 40)	–	34,636	–	–	34,636
Reclassified as held for sale (note 25)	–	–	–	(800)	(800)
At 31 December 2023 and 1 January 2024	490,427	79,300	442,937	55,197	1,067,861
Recognised in profit or loss	84,981	(24,018)	(93,165)	188,087	155,885
Acquisition through business combination (note 40)	–	21,665	–	–	21,665
At 31 December 2024	575,408	76,947	349,772	243,284	1,245,411

The amounts recognised in the consolidated statement of financial position are as follows:

	2024 RMB'000	2023 RMB'000
Deferred tax assets recognised in the consolidated statement of financial position	**(8,461,387)**	(6,341,753)
Deferred tax liabilities recognised in the consolidated statement of financial position	**684,730**	554,010
Net deferred tax assets	**(7,776,657)**	(5,787,743)

35. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

Deferred tax liabilities (Continued)

Withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred tax liabilities have been provided in the consolidated financial statements in respect of temporary differences attributable to the profits earned by the PRC subsidiaries based on the expected dividends payout ratio of these PRC subsidiaries. Deferred tax liabilities have not been recognised in respect of temporary differences relating to the post-2007 profits earned by the PRC subsidiaries amounting to approximately RMB2,919,318,000 (2023: RMB14,947,011,000).

As at the end of the reporting period, the Group has not recognised deferred tax assets in respect of tax losses and deductible temporary differences of approximately RMB2,608,456,000 (2023: RMB3,514,927,000) and RMB2,867,388,000 (2023: RMB2,629,929,000), respectively. Of the total unrecognised tax losses, approximately RMB2,151,131,000 (2023: RMB3,183,597,000) may be carried forward for five years from the year of incurring the loss, and the remaining unrecognised tax losses have no expiry dates. No deferred tax asset has been recognised in respect of those tax losses and deductible temporary differences due to the unpredictability of future profit streams.

36. COMMITMENTS

Capital commitments

As at the end of the reporting period, the capital commitments not provided for in the consolidated financial statements were as follows:

	2024 **RMB'000**	2023 RMB'000
Contracted but not provided for, net of deposits/investments paid		
– purchase of property, plant and equipment	**1,020,756**	1,961,259
– acquisition and capital injection of a joint venture (note 47)	**9,367,347**	–
– investment in associates	**244,510**	244,510
– investment in joint ventures	**686,125**	664,561
	11,318,738	2,870,330

36. COMMITMENTS (Continued)

Capital commitments (Continued)

Notes:

(a) On 20 December 2018, the Group entered into an investment agreement (the "**Investment Agreement 1**") with Contemporary Amperex Technology Company Limited# ("**CATL Battery**") 寧德時代新能源科技股份有限公司, an independent third party, pursuant to which the parties agreed to establish an associate company, Times Geely. Pursuant to the terms of the Investment Agreement 1, Times Geely is owned as to 49% by the Group and as to 51% by CATL Battery, respectively. The registered capital of Times Geely is RMB1,000,000,000, and is contributed as to 49% (equivalent to RMB490,000,000) in cash by the Group and as to 51% (equivalent to RMB510,000,000) in cash by CATL Battery, respectively. As at 31 December 2024 and 2023, the Group and CATL Battery contributed RMB245,490,000 (2023: RMB245,490,000) and RMB255,510,000 (2023: RMB255,510,000), respectively, to Times Geely.

(b) On 12 June 2019, ZEEKR Automobile (Shanghai) Company Limited# ("**ZEEKR Automobile (Shanghai)**") 極氪汽車(上海)有限公司, an indirect non wholly-owned subsidiary of the Company, entered into an investment agreement (the "**Investment Agreement 2**") with LG Chem Ltd. ("**LG Chem**"), an independent third party, pursuant to which the parties agreed to establish a joint venture company (the "**ZEEKR-LG JV**") to principally engage in the production and sales of batteries for electric vehicles. Pursuant to the terms of the Investment Agreement 2, the registered capital of the ZEEKR-LG JV will be US$188,000,000 (equivalent to approximately RMB1,372,250,000), and will be contributed as to 50% (US$94,000,000 or equivalent to approximately RMB686,125,000) and 50% (US$94,000,000 or equivalent to approximately RMB686,125,000) by ZEEKR Automobile (Shanghai) and LG Chem, respectively. As at 31 December 2024, the formation of the ZEEKR-LG JV had not yet been completed. Please refer to the Company's announcement dated 12 June 2019 for further details.

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

As lessee

As at the end of the reporting period, the lease commitments for short-term leases are as follows:

	2024 **RMB'000**	2023 RMB'000
Office and factory premises		
– Within one year	**23,881**	29,017

As at 31 December 2024 and 2023, the Group leases a number of offices and factory premises which are qualified to be accounted for under short-term lease exemption under HKFRS 16. Details of the leases are set out in note 27.

36. COMMITMENTS (Continued)

As lessor

As at the end of the reporting period, the total future minimum lease receipts in respect of certain portion of buildings under non-cancellable operating leases are receivable as follows:

	2024 **RMB'000**	2023 RMB'000
Buildings		
– Within one year	**17,648**	922
– After one year but within two years	**8,824**	–
	26,472	922
Plant and machinery		
– Within one year	**154,030**	–
– After one year but within two years	**38,508**	–
	192,538	–
	219,010	922

Leases are negotiated and rental are fixed for an initial period of two years (2023: one to three years).

37. RETIREMENT BENEFITS SCHEME

The Group participates in the MPF Scheme established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the scheme are held separately from those of the Group in funds under the control of trustees.

For members of the MPF Scheme, the Group contributes 5% of the employees' relevant income to the MPF Scheme. Both the employer's and the employees' contributions are subject to a maximum of monthly relevant income of HK$30,000 (equivalent to RMB27,000) per employee. Contributions to the plan vest immediately.

The employees of the Company's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a fixed percentage of the employees' basic salary to the retirement benefit scheme to fund the benefit. The only obligation of the Group in respect of the retirement benefit scheme is to make the specified contributions.

Contributions are made by the Company's subsidiaries in other overseas countries to defined contribution superannuation funds in accordance with the relevant laws and regulations in those countries.

During the year ended 31 December 2024, the aggregate employer's contributions made by the Group amounted to RMB1,296,109,000 (2023: RMB1,177,145,000) (note 9(b)).

Besides, the Group had no forfeited contributions under its retirement benefit schemes which may be used to reduce the existing level of contributions during the years ended 31 December 2024 and 2023.

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS

Share option scheme of the Company

A share option scheme was adopted by the Company on 18 May 2012 (the "**2012 Option Scheme**") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 18 May 2012 and is valid and effective for a period of ten years until 18 May 2022. Pursuant to the ordinary resolution, a total of 747,486,045 shares were available for grant under the 2012 Option Scheme.

The 2012 Option Scheme was adopted for the purpose of providing eligible participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. All directors, full-time employees and any other persons who, in the sole discretion of the Board of Directors, have contributed or will contribute to the Group are eligible to participate in the 2012 Option Scheme.

The subscription price for the shares under the 2012 Option Scheme is a price determined by the directors, but not less than the highest of (i) the closing price of shares as stated on the SEHK on the date of the offer of grant; (ii) the average closing price of the shares as stated on the SEHK's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

The 2012 Option Scheme expired on 18 May 2022 and therefore there was no shares available for future grant under the 2012 Option Scheme as at 31 December 2022.

In substitution of the 2012 Option Scheme, the Board resolved on 23 December 2022 to adopt the 2023 share option scheme (the "**2023 Share Option Scheme**"). The 2023 Share Option Scheme was approved by the Company's shareholders at the extraordinary general meeting of the Company held on 28 April 2023 and is valid and effective for a period of ten years until 28 April 2033. Pursuant to the ordinary resolution, a total of 1,005,697,378 shares could be available for future grant under the 2023 Share Option Scheme and other share scheme of the Company (e.g., share award scheme of the Company adopted on 30 August 2021 (the "**Share Award Scheme**")).

The purpose of the 2023 Share Option Scheme is to enable the Company to grant the Company's share options to the eligible participants as incentives or rewards for their contribution to the Group. The eligible participants of the 2023 Share Option Scheme include all directors or employees (including full-time or part-time) of the Group or the holding companies, fellow subsidiaries or associated companies of the Company or service providers to the Group who, in the sole discretion of the Board of Directors or its remuneration committee, have contributed or will contribute to the Group.

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

The total number of shares which may be issued in respect of all options and awards which may be granted under the 2023 Share Option Scheme and any other share scheme(s) (including the Share Award Scheme) shall not exceed 10% of the total number of shares in issue on 28 April 2023 (the "**Overall Scheme Limit**"). Within the Overall Scheme Limit, the total number of shares which may be issued in respect of all options and awards which may be granted to the services providers to the Group under the 2023 Share Option Scheme and any other share scheme(s) (including the Share Award Scheme) shall not exceed 1% of the total number of shares in issue on 28 April 2023 (the "**Service Provider Sub-limit**"). Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be regarded as utilised for the purpose of calculating the aforesaid limits. The Company may obtain an approval from its shareholders for refreshing the Overall Scheme Limit and the Service Provider Sub-limit after three years from the date of the approval for the aforesaid limits.

The total number of shares of the Company issued and to be issued in respect of all options and awards granted to each eligible participant under the 2023 Share Option Scheme and any other share scheme(s) (including the Share Award Scheme) (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the twelve-month period up to and including the date of such grant must not exceed 1% of the issued share capital of the Company. Where any options and awards granted to each eligible participant may result in exceeding 1% of the issued share capital of the Company, the Company shall not grant such options or awards unless it is separately approved by the Company's shareholders in general meeting, with such eligible participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting.

The subscription price for the shares under the 2023 Share Option Scheme is a price determined by the directors, but not less than the highest of (i) the closing price of shares as stated on the SEHK on the date of the offer of grant; and (ii) the average closing price of the shares as stated on the SEHK's daily quotations sheet for the five trading days immediately preceding the date of the offer of grant.

Under the 2012 Option Scheme and the 2023 Share Option Scheme, the period within which the options must be exercised will be specified by the Company at the time of grant. This period must expire no later than ten years from the date of grant of the options. At the time of grant of the options, the Company may specify a minimum period for which an option must be held before it can be exercised. The offer of a grant of share options may be accepted within five business days from the date of offer, the offer is delivered to that participant and the amount payable on acceptance of share options is HK$1 per participant.

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

For those share options granted after 1 January 2010 and prior to 1 January 2015, one-tenth of share options granted will vest in every year from the grant date with one-tenth of options being vested immediately at the date of grant. For those share options granted after 1 January 2015 and prior to 1 January 2021, none of the share options will be vested in the first year, one-fourth of share options granted will vest in every year after the first year of the grant date. For those share options granted after 1 January 2021 and prior to 1 January 2023, none of the share options will be vested in the first two years, one-fifth of share options granted will vest in every year after the second year of the grant date. For those share options granted after 1 January 2023, 15% of share options granted will vest in every year after the first year of the grant date and 10% of share options granted will vest after the seventh year of the grant date.

No options may be granted under the 2012 Option Scheme and the 2023 Share Option Scheme after the date of the tenth anniversary of its adoption.

The following table discloses details of the Company's share options under the schemes held by each participant or category of participants:

2024

	Exercisable period	Exercise price per share HK$	Outstanding at 1 January	Granted during the year	Exercised during the year	Lapsed during the year	Reallocated upon appointment or retirement during the year	Outstanding at 31 December
Directors								
Mr. Li Dong Hui, Daniel	15 January 2023 to 14 January 2028	32.70	14,000,000	-	-	-	-	14,000,000
	22 November 2024 to 21 November 2031	9.56	9,000,000	-	-	-	-	9,000,000
Ms. Wei Mei	15 January 2023 to 14 January 2028	32.70	7,000,000	-	-	-	-	7,000,000
	22 November 2024 to 21 November 2031	9.56	3,500,000	-	-	-	-	3,500,000
Mr. An Cong Hui	15 January 2023 to 14 January 2028	32.70	22,000,000	-	-	-	(22,000,000)	-
	22 November 2024 to 21 November 2031	9.56	9,000,000	-	-	-	(9,000,000)	-
Mr. Ang Siu Lun, Lawrence	15 January 2023 to 14 January 2028	32.70	3,000,000	-	-	-	(3,000,000)	-

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

The following table discloses details of the Company's share options under the schemes held by each participant or category of participants (Continued):

2024 (Continued)

	Exercisable period	Exercise price per share HK$	Outstanding at 1 January	Granted during the year	Exercised during the year	Lapsed during the year	Reallocated upon appointment or retirement during the year	Outstanding at 31 December
Mr. Gui Sheng Yue	15 January 2023 to 14 January 2028	32.70	13,500,000	–	–	–	–	13,500,000
	22 November 2024 to 21 November 2031	9.56	15,000,000	–	–	–	–	15,000,000
Mr. Gan Jia Yue	15 January 2023 to 14 January 2028	32.70	8,000,000	–	–	–	–	8,000,000
	22 November 2024 to 21 November 2031	9.56	15,000,000	–	–	–	–	15,000,000
Mr. Mao Jian Ming, Moosa	17 July 2025 to 16 July 2032	9.56	–	3,000,000	–	–	–	3,000,000
			119,000,000	3,000,000	–	–	(34,000,000)	88,000,000
Employees	14 January 2021 to 13 January 2025	16.04	790,000	–	–	–	–	790,000
	15 January 2023 to 14 January 2028	32.70	455,390,000	–	–	(21,080,000)	25,000,000	459,310,000
	22 November 2024 to 21 November 2031	9.56	458,780,000	–	(4,840,500)	(17,040,000)	9,000,000	445,899,500
	17 July 2025 to 16 July 2032	9.56	–	21,860,000	–	(1,800,000)	–	20,060,000
			914,960,000	21,860,000	(4,840,500)	(39,920,000)	34,000,000	926,059,500
Other related entity participants	22 November 2024 to 21 November 2031	9.56	68,150,000	–	(649,000)	(3,300,500)	–	64,200,500
	17 July 2025 to 16 July 2032	9.56	–	3,650,000	–	–	–	3,650,000
			68,150,000	3,650,000	(649,000)	(3,300,500)	–	67,850,500
			1,102,110,000	28,510,000	(5,489,500)	(43,220,500)	–	1,081,910,000

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

The following table discloses details of the Company's share options under the schemes held by each participant or category of participants (Continued):

2024 (Continued)

	Outstanding at 1 January HK$	Granted during the year HK$	Exercised during the year HK$	Lapsed during the year HK$	Outstanding at 31 December HK$
Weighted average exercise price per share	**20.54**	**9.56**	**9.56**	**20.85**	**20.30**
Weighted average remaining contractual life of options outstanding as at 31 December 2024					**5.11 years**
Number of options exercisable as at 31 December 2024					**72,279,643**
Weighted average exercise price per share of options exercisable as at 31 December 2024					**HK$32.56**

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

The following table discloses details of the Company's share options under the schemes held by directors, eligible employees and other persons:

2023

	Exercisable period	Exercise price per share HK$	Outstanding at 1 January	Granted during the year	Lapsed during the year	Outstanding at 31 December
Directors						
Mr. Li Dong Hui, Daniel	15 January 2023 to 14 January 2028	32.70	14,000,000	–	–	14,000,000
	22 November 2024 to 21 November 2031	9.56	–	9,000,000	–	9,000,000
Ms. Wei Mei	15 January 2023 to 14 January 2028	32.70	7,000,000	–	–	7,000,000
	22 November 2024 to 21 November 2031	9.56	–	3,500,000	–	3,500,000
Mr. An Cong Hui	15 January 2023 to 14 January 2028	32.70	22,000,000	–	–	22,000,000
	22 November 2024 to 21 November 2031	9.56	–	9,000,000	–	9,000,000
Mr. Ang Siu Lun, Lawrence	15 January 2023 to 14 January 2028	32.70	3,000,000	–	–	3,000,000
Mr. Gui Sheng Yue	15 January 2023 to 14 January 2028	32.70	13,500,000	–	–	13,500,000
	22 November 2024 to 21 November 2031	9.56	–	15,000,000	–	15,000,000
Mr. Gan Jia Yue	15 January 2023 to 14 January 2028	32.70	8,000,000	–	–	800,000
	22 November 2024 to 21 November 2031	9.56	–	15,000,000	–	15,000,000
			67,500,000	51,500,000	–	119,000,000
Employees	7 September 2019 to 6 September 2023	15.96	600,000	–	(600,000)	–
	14 January 2022 to 13 January 2025	16.04	790,000	–	–	790,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

The following table discloses details of the Company's share options under the schemes held by directors, eligible employees and other persons (Continued):

2023 (Continued)

	Exercisable period	Exercise price per share HK$	Outstanding at 1 January	Granted during the year	Lapsed during the year	Outstanding at 31 December
	15 January 2023 to 14 January 2028	32.70	476,100,000	–	(20,710,000)	455,390,000
	22 November 2024 to 21 November 2031	9.56	–	458,780,000	–	458,780,000
			477,490,000	458,780,000	(21,310,000)	914,960,000
Other related entity participants	22 November 2024 to 21 November 2031	9.56	–	68,150,000	–	68,150,000
			544,990,000	578,430,000	(21,310,000)	1,102,110,000

	Outstanding at 1 January HK$	Granted during the year HK$	Lapsed during the year HK$	Outstanding at 31 December HK$
Weighted average exercise price per share	32.66	9.56	32.23	20.54
Weighted average remaining contractual life of options outstanding as at 31 December 2023				6.07 years
Number of options exercisable as at 31 December 2023				320,374,301
Weighted average exercise price per share of options exercisable as at 31 December 2023				HK$32.69

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share option scheme of the Company (Continued)

During the year ended 31 December 2024, 28,510,000 options were granted on 17 July 2024 with total estimated fair values of approximately RMB90,918,000. The closing price of the Company's shares on the date the options were granted was HK$8.23. The exercise price of the share options granted was HK$9.56 per share.

During the year ended 31 December 2023, 578,430,000 options were granted on 22 November 2023 with total estimated fair values of approximately RMB2,019,089,000. The closing price of the Company's shares on the date the options were granted was HK$9.34. The exercise price of the share options granted was HK$9.56 per share.

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair values was measured based on the Binomial Option Pricing Model. The inputs into the model were as follows:

Grant date	**17 July 2024**	22 November 2023	15 January 2021
Share price	**HK$8.23**	HK$9.34	HK$31.20
Exercise price	**HK$9.56**	HK$9.56	HK$32.70
Expected volatility	**48.29%**	46.20%	38.95%
Expected life (expressed as weighted average life used in the modelling under the Binomial Option Pricing Model)	**8 years**	8 years	7 years
Risk-free interest rate	**3.20%**	3.74%	0.55%
Expected dividend yield	**1.8%**	1.49%	2%

Expected volatility was determined by using historical volatility of the comparable companies' share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition was not considered in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share award scheme of the Company

The Company has adopted the Share Award Scheme pursuant to resolutions passed by the Board at the board meeting of the Company held on 30 August 2021 for the purposes of attracting and retaining the high calibre employees whose contributions will be beneficial to the growth and development of the Group. The Share Award Scheme has a term of 10 years from 30 August 2021.

Pursuant to the proposed amendments to Listing Rules relating to share schemes of listed issuers and housekeeping rule amendment published by the SEHK in July 2022, Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from 1 January 2023 (the "**New Chapter 17**").

On 23 December 2022, the Board resolved to amend the terms of the Share Award Scheme in compliance with the requirements of the New Chapter 17. The amendments to the Share Award Scheme were approved by the Company's shareholders at the extraordinary general meeting of the Company held on 28 April 2023.

The eligible participants of the Share Award Scheme included all directors or employees (including full-time or part-time) of the Group or the holding companies, fellow subsidiaries or associated companies of the Company or service providers to the Group.

The maximum number of shares which could be granted under the Share Award Scheme is 350,000,000, which could be satisfied by way of new shares to be issued or existing shares to be purchased from the secondary market.

The shares being granted with respect to a selected participant will vest in 4 tranches of 25% each year from 30 August 2022 to 29 August 2025, on the conditions that the employee will remain in service and meet the performance requirements, including but not limited to meeting the company-level performance target and the selected participant's level performance target. Subject to the satisfaction of the vesting conditions, such new award shares will be transferred to the selected participants at nominal value on the vesting date. The selected participants are required to pay the nominal value for the award shares.

As at 31 December 2024 and 2023, the Company has appointed a professional and independent trustee ("**Trustee**"), to assist with the administration and vesting of award shares granted pursuant to the Share Award Scheme. The Trustee will not exercise the voting rights in respect of any ordinary shares held under the trust. The award shares will be allotted and issued to the Trustee who will hold the award shares in trust in accordance with the trust deed for the selected participants. As at 31 December 2024, the total number of award shares available for grant under the Share Award Scheme is 267,555,257 (2023: 236,630,657) and the remaining life of the Share Award Scheme is approximately 6 years and 8 months (2023: 7 years and 8 months).

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share award scheme of the Company (Continued)

Movements in the number of award shares outstanding are as follows:

	2024	2023
Balance at 1 January	**70,841,000**	113,391,000
Vested	**(6,137,400)**	(6,570,050)
Lapsed	**(30,924,600)**	(35,979,950)
Outstanding balance at 31 December	**33,779,000**	70,841,000

The fair value of each award share was calculated based on the market price of the Company's shares at the grant date.

Share award scheme of ZEEKR

On 20 August 2021, ZEEKR adopted a share award scheme (the "**ZEEKR Share Award Scheme**"). The purposes of the ZEEKR Share Award Scheme are to encourage the selected participants to continuously make greater contributions to the long-term growth of the ZEEKR and its subsidiaries ("**ZEEKR Group**") and thereby enhancing the value of the Company for the benefit of the shareholders, and to attract and retain high calibre employees whose contributions will be beneficial to the growth and development of the ZEEKR Group.

The participants of the ZEEKR Share Award Scheme include directors, employees, officers or consultants of the ZEEKR or its affiliates.

The maximum number of ordinary shares of ZEEKR ("**ZEEKR Shares**") which could be granted under the ZEEKR Share Award Scheme is 150,000,000 ZEEKR Shares by way of new ZEEKR Shares.

Upon the adoption of the ZEEKR Share Award Scheme, during the years ended 31 December 2024 and 2023, ZEEKR resolved to grant 31,771,808 and 17,955,300 ZEEKR Award Shares to 6,298 and 4,427 selected participants, respectively under the ZEEKR Share Award Scheme by way of reservation and future issuance of new ordinary shares. Except for four independent directors of ZEEKR (one of whom resigned on 18 October 2024), all other selected participants are not connected persons of the Company.

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share award scheme of ZEEKR (Continued)

The vesting schedule of the ZEEKR Award Shares is generally subject to both the initial public offering condition and the service-and-performance-based condition. To further enhance the compliance of market operations involving the vesting of ZEEKR Award Shares, starting from 2025, the vesting date of ZEEKR Award Shares will be changed from April 15 to May 25. If the vesting conditions are met, the ZEEKR Award Shares granted will vest in four batches as follows: (i) the first batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the first May 25 following the grant date (or on the second May 25 if the period between the first May 25 and the grant date is less than six months); (ii) the second batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the second May 25 after the grant date (or on the third May 25 if the period between the first May 25 and the grant date is less than six months); (iii) the third batch (up to a maximum of 25% to 33.4% of the ZEEKR Award Shares granted) will vest on the third May 25 after the grant date (or on the fourth May 25 if the period between the first May 25 and the grant date is less than six months); and (iv) the fourth batch (up to a maximum of 25% of the ZEEKR Award Shares granted), if applicable, will vest on the fourth May 25 after the grant date (or on the fifth May 25 if the period between the first May 25 and the grant date is less than six months).

As at 31 December 2024, the total number of ZEEKR Shares available for issue under the ZEEKR Share Award Scheme is 39,810,692 (2023: 56,988,269) and the remaining life of the ZEEKR Share Award Scheme is approximately 6 years and 8 months (2023: 7 years and 8 months).

Back-solve method was used to determine the underlying equity fair value of the ZEEKR and the option-pricing method was used to determine the fair value of the underlying shares granted on 30 June 2023. The fair value of ZEEKR Award Shares granted on 30 June 2023 was approximately US$80,103,000 (equivalent to approximately RMB581,532,000). Key assumptions adopted in determining the fair value are as follows:

Grant date	30 June 2023
Expected volatility	51.70% to 57.66%
Risk-free interest rate	4.37% to 5.47%
Expected dividend yield	0.00%

Expected volatility was determined using the average historical volatilities of comparable companies in the same industry. Expected dividend yield is based on management's estimate at the valuation date.

The aggregate fair value of ZEEKR Award Shares granted on 5 April 2024 and 10 May 2024 was determined with reference to the initial public offering price of ZEEKR. The aggregate fair value of the 31,771,808 ZEEKR Award Shares granted on 5 April 2024 and 10 May 2024 was approximately US$66,720,797 (equivalent to approximately RMB481,831,000).

38. EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

Share award scheme of ZEEKR (Continued)

Movements in the number of ZEEKR Award Shares outstanding are as follows:

	2024	2023
Balance at 1 January	**93,011,731**	86,027,076
Granted	**31,771,808**	17,955,300
Lapsed	**(14,594,231)**	(10,970,645)
Vested	**(45,555,414)**	–
Balance at 31 December	**64,633,894**	93,011,731

Equity settled share-based payments have been recorded in the consolidated financial statements as follows:

	2024					2023		
	Expensed RMB'000	**Capitalised as product development cost of intangible assets RMB'000**	**Capitalised as investment in a joint venture RMB'000**	**Capitalised as investment in an associate RMB'000**	**Total RMB'000**	Expensed RMB'000	Capitalised as product development cost of intangible assets RMB'000	Total RMB'000
Share option scheme of the Company	**977,091**	**7,913**	**7,039**	**–**	**992,043**	601,376	226,540	827,916
Share award scheme of the Company	**(259,221)**	**(1,286)**	**(2,619)**	**–**	**(263,126)**	44,960	27,779	72,739
Share award scheme of ZEEKR (note)	**1,029,055**	**–**	**–**	**1,713**	**1,030,768**	–	–	–
	1,746,925	**6,627**	**4,420**	**1,713**	**1,759,685**	646,336	254,319	900,655

Note: During the year ended 31 December 2024, ZEEKR completed its ZEEKR Offering. Due to the satisfaction of the initial public offering vesting condition, the Group had recognised the equity settled share-based payments for the ZEEKR Share Award Scheme. In contrast, during the year ended 31 December 2023, the Group did not recognise any equity settled share-based payments for the ZEEKR Share Award Scheme as management considered it is not probable that the condition related to the initial public offering of ZEEKR would be satisfied until the event occurred.

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties:

(a) Transactions

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b))			
Zhejiang Geely Automobile Company Limited# 浙江吉利汽車有限公司	Sales of complete knock-down kits (note (d))	**38,391,539**	30,730,416
	Sales of complete build-up units, complete knock-down kits and related after-sales parts (note (d))	**–**	128,894
	Purchase of complete build-up units (note (d))	**39,240,486**	31,601,474
	Purchase of complete knock-down kits and automobile components (note (d))	**46,762,666**	28,858,758
	Sales of complete knock-down kits and automobile components (CKDs and Automobile Components Sales Agreement) (note (d))	**1,900,299**	–
	Disposal of property, plant and equipment (note (g))	**76,121**	–
Zhejiang Haoqing Automobile Manufacturing Company Limited# ("**Zhejiang Haoqing**") 浙江豪情汽車製造有限公司 (note (i))	Sales of complete knock-down kits (note (d))	**68,156,249**	63,420,165
	Sales of complete knock-down kits and automobile components (CKDs and Automobile Components Sales Agreement) (note (d))	**5,179,445**	6,169,520
	Purchase of complete build-up units (note (d))	**74,530,722**	70,407,875
	Sales of complete build-up units, complete knock-down kits and related after-sales parts (note (d))	**–**	583,647
	Purchase of automobile parts and components (note (d))	**–**	50,745
	Purchase of complete knock-down kits and automobile components (note (d))	**–**	4,620,539
	Operational service fee (note (d))	**30,000**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Geely Automobile Group	Operational service fee (note (d))	**12,084**	267,601
	Operational service income (note (d))	**17,578**	101,809
	Acquisition of property, plant and equipment (notes (f) and (g))	**–**	19,762
	Research, development and technology licensing service fee (note (d))	**–**	38,167
Zhejiang Geely Automobile Parts and Components Company Limited# 浙江吉利汽車零部件採購有限公司	Purchase of automobile parts and components (note (d))	**6,592,641**	3,848,666
	Sales of powertrain and related components (note (d))	**–**	26,590
Linyi Lingji Chunhua Automobile Sales Service Company Limited# 臨沂領吉春華汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**161,649**	169,670

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Ningbo Geely Automobile R&D Company Limited#	Research, development and technology licensing service income (note (d))	**2,999,093**	4,710,109
寧波吉利汽車研究開發有限公司	Research, development and technology licensing service fee (note (d))	**1,055,083**	2,790,106
	Operational service income (note (d))	**–**	34,610
	Acquisition of property, plant and equipment (notes (f) and (g))	**–**	266,876
	Operational service fee (note (d))	**43,379**	–
Shanxi New Energy Automobile Industrial Company Limited# 山西新能源汽車工業有限公司	Sales of complete knock-down kits (note (d))	**1,395,623**	1,658,412
	Purchase of complete build-up units (note (d))	**1,448,452**	1,720,321
Hangzhou Geely Yiyun Technology Company Limited# 杭州吉利易雲科技有限公司	Operational service fee (note (d))	**234,530**	286,414

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	**2024** **RMB'000**	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Zhejiang Geely Business Services Company Limited# 浙江吉利商務服務有限公司	Operational service fee (note (d))	**435,441**	237,167
Fengsheng Automobile (Jiangsu) Company Limited# 楓盛汽車(江蘇)有限公司	Purchase of automobile parts and components (note (d))	**727,967**	–
Shanghai Meihuan Trade Company Limited# 上海美寰貿易有限公司	Sales of complete build-up units, complete knock-down kits and related after-sales parts (note (d))	**–**	201,355
	Sales of powertrain and related components (note (d))	**–**	56,624
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**18,098**	18,116
London EV Company Limited	Sales of powertrain and related components (note (d))	**–**	19,827
Lingwu Automotive Technology (Chongqing) Company Limited# 領悟汽車技術(重慶)有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**12,007**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Hangzhou XuanYu Business Consulting Management Company Limited# (formerly known as Hangzhou XuanYu Human Resources Company Limited#) 杭州軒宇企業諮詢管理有限公司（前稱杭州軒宇人力資源有限公司）	Operational service fee (note (d))	**64,813**	134,926
Hangzhou XuanYu Business Consulting Management Company Limited Ningbo Branch# 杭州軒宇企業諮詢管理有限公司寧波分公司	Operational service fee (note (d))	**14,367**	–
Geely Changxing Automatic Transmission Company Limited# (note (h)) 吉利長興自動變速器有限公司	Purchase of automobile parts and components (note (d))	**1,724,531**	3,378,126
	Research, development and technology licensing service income (note (d))	**22,536**	35,435
	Operational service income (note (d))	**12,037**	33,030
	Sales of powertrain and related components (note (d))	**–**	13,300
Zhejiang Yizhen Automobile R&D Company Limited# 浙江翼真汽車研究開發有限公司	Research, development and technology licensing service income (note (d))	**68,904**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Yiwu Yizhen Automobile R&D Co., Limited# 義烏翼真汽車研究開發有限公司	Research, development and technology licensing service income (note (d))	**76,440**	–
Zhejiang Yizhen Automobile Company Limited# 浙江翼真汽車有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**39,588**	–
Lotus Tech Innovation Centre GmbH	Research, development and technology licensing service fee (note (d))	**61,434**	–
Feixian Lingji Chunhua Automobile Sales Service Company Limited# 費縣領吉春華汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**39,540**	39,403

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Yishui Lingji Yuantong Automobile Sales Service Company Limited# 沂水領吉遠通汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**26,017**	38,399
Dongying Lingji Kaihua Automobile Sales Service Company Limited# 東營領吉凱華汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**88,700**	50,681
Linyi Lingji Maohua Automobile Sales Service Company Limited# 臨沂領吉茂華汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**176,913**	190,140
Qingdao Linjixing Automobile Sales Service Company Limited# 青島領吉星汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**90,930**	96,938
Zhejiang Joint Control Technology Company Limited# 浙江聯控技術有限公司	Research, development and technology licensing service income (note (d))	**586,020**	1,503,003
	Research, development and technology licensing service fee (note (d))	**534,664**	750,289

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Hangzhou Jidian Electronic Technology Company Limited# 杭州極電電子科技有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**506,220**	393,867
	Research, development and technology licensing service income (note (d))	**381,557**	83,146
	Purchase of automobile parts and components (note (d))	**1,271,877**	989,377
	Operational service income (note (d))	**66,921**	–
	Disposal of property, pant and equipment (note (g))	**54,328**	–
Lingji Automobile Trading Company Limited# 領吉汽車商貿有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**299,982**	1,006,506
	Purchase of automobile parts and components (note (d))	**–**	31,343
	Sales of complete knock-down kits and automobile components (CKDs and Automobile Components Sales Agreement) (note (d))	**2,352,387**	–
	Operational service fee (note (d))	**15,488**	–
Shandong Jidian E-Mobility Technology Company Limited# 山東極電電動汽車技術有限公司	Purchase of automobile parts and components (note (d))	**12,820**	–
Chengdu Gaoyuan Automobile Industries Company Limited# 成都高原汽車工業有限公司	Sales of complete knock-down kits (note (d))	**1,134,693**	906,845
	Purchase of complete build-up units (note (d))	**1,026,889**	941,418

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Zhejiang Jirun Meishan Automobile Parts Company Limited# 浙江吉潤梅山汽車部件有限公司	Purchase of complete build-up units (note (d))	**–**	91,515
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**25,913**	52,879
	Sales of powertrain and related components (note (d))	**103,664**	260,606
	Purchase of automobile parts and components (note (d))	**90,871**	42,026
	Research, development and technology licensing service fee (note (d))	**51,530**	22,301
	Purchase of complete knock-down kits and automobile components (note (d))	**76,940**	–
	Operational service income (note (d))	**18,647**	–
Ningbo Hangzhou Bay Geely Automobile Components Company Limited# 寧波杭州灣吉利汽車部件有限公司	Purchase of automobile parts and components (note (d))	**158,282**	42,677
	Purchase of complete knock-down kits and automobile components (note (d))	**157,940**	112,233
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**922,072**	2,694,812
	Purchase of complete build-up units (note (d))	**28,170**	161,705
	Operational service income (note (d))	**66,744**	–
	Disposal of property, plant and equipment (note (g))	**18,549**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Zhejiang Smart Intelligent Technology Company Limited# 浙江智馬達智能科技有限公司	Research, development and technology licensing service income (note (d))	**458,461**	–
Zhongjia Automobile Manufacturing (Chengdu) Company Limited# 中嘉汽車製造(成都)有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**751,321**	812,621
Wuhan Lingjixing Automobile Sales Service Company Limited# 武漢領吉行汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**–**	10,050
Shanghai Jidu Automobile Co., Limited# 上海集度汽車有限公司	Research, development and technology licensing service income (note (d))	**324,781**	–
Jingling Automobile Sales (Nanning) Company Limited# 精靈汽車銷售(南寧)有限公司	Research, development and technology licensing service income (note (d))	**190,698**	–
Jidu Technology (Wuhan) Company Limited# 集度科技(武漢)有限公司	Research, development and technology licensing service income (note (d))	**70,023**	–
Shanghai Jijin Mechanical and Electrical Equipment Company Limited# 上海吉津機電設備有限公司	Acquisition of property, plant and equipment (notes (f) and (g))	**–**	27,433

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	**2024 RMB'000**	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Wuhan Lotus Automobile Co., Ltd.# 武漢路特斯汽車有限公司	Research, development and technology licensing service income (note (d))	**67,401**	–
Wuhan Lotus Automobile Sales Co., Ltd# 武漢路特斯汽車銷售有限公司	Research, development and technology licensing service income (note (d))	**14,957**	–
Xi'an Geely Automobile Company Limited# ("**Xi'an Geely**") 西安吉利汽車有限公司 (note (e))	Purchase of complete build-up units (note (d))	**–**	31,140
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**–**	2,490,368
	Sales of powertrain and related components (note (d))	**–**	431,116
	Purchase of automobile parts and components (note (d))	**–**	21,559
Polestar Performance AB	Research, development and technology licensing service income (note (d))	**186,991**	–
Jizhi (Hangzhou) Cultural Creativity Company Limited# 吉智(杭州)文化創意有限公司	Operational service fee (note (d))	**105,849**	124,487
Nanjing Lingjixing Automobile Sales Company Limited# 南京領吉行汽車銷售有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**–**	10,545

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Volvo Personvagnar AB	Sales of powertrain and related components (note (d))	**–**	150,289
	Research, development and technology licensing service income (note (d))	**563,052**	473,105
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**229,783**	–
Volvo Car Corporation	Research, development and technology licensing service income (note (d))	**–**	114,000
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**–**	14,983
Volvo Manufacturing Malaysia Sdn. Bhd.	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**46,254**	109,580
Valmet Automotive EV Power Ltd.	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**5,350,712**	4,172,352
Daqing Volvo Car Manufacturing Co., Limited# 大慶沃爾沃汽車製造有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**160,496**	197,131
	Operational service income (note (d))	**184,608**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Zhejiang Geely Automobile Manufacturing Co., Ltd.# 浙江吉利汽車製造有限公司	Interest expense	**10,965**	178,840
	Acquisition of a subsidiary (note 40)	**–**	382,450
Zhejiang Haowu Network Technology Co., Ltd.# 浙江浩物網絡科技有限公司	Operational service income (note (d))	**11,286**	–
	Purchase of automobile parts and components (note (d))	**206,191**	248,245
Binzhou Linjixin Automobile Sales Company Limited# 濱州領吉欣汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**–**	48,241
Changxing Geely Automobile Industrial Company Limited# 長興吉利汽車實業有限公司	Operational service income (note (d))	**15,777**	–
Hangzhou Geely Shared Services Company Limited# 杭州吉利共享服務有限公司	Operational service fee (note (d))	**25,537**	–
Zhejiang Wotu Travel Agency Company Limited# 浙江沃途旅行社有限公司	Operational service fee (note (d))	**88,109**	–
Geely Changxing New Energy Automobiles Company Limited# 吉利長興新能源汽車有限公司	Acquisition of property, plant and equipment (note (g))	**152,533**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Xi'an Rongcheng New Energy Company Limited# 西安融晟新能源有限公司	Operational service fee (note (d))	**17,630**	–
Hangzhou Jiqiao Automotive Technology Company Limited# 杭州吉橋汽車科技有限公司	Operational service fee (note (d))	**18,673**	–
Zhejiang Geely Zhisuan Information Technology Company Limited# 浙江吉利智算信息科技有限公司	Operational service fee (note (d))	**50,150**	–
Zhangjiakou Aurobay Engine Manufacturing Co., Ltd.# 張家口極光灣發動機製造有限公司	Sales of powertrain and related components (note (d))	**10,294**	53,651
Taizhou Geely Automobile Manufacturing Co., Ltd.# 台州吉利汽車製造有限公司	Purchase of complete build-up units (note (d))	**–**	11,025
	Research, development and technology licensing service income (note (d))	**360,486**	–
Zhejiang Jisu Supply Chain Management Company Limited# 浙江吉速供應鏈管理有限公司	Acquisition of property, plant and equipment (note (g))	**10,499**	–
	Operational service fee (note (d))	**–**	50,872

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Ningbo Qianwan New District Jiyan Logistics Service Co., Ltd.# 寧波前灣新區吉研後勤服務有限公司	Operational service income (note (d))	**–**	23,462
	Operational service fee (note (d))	**–**	29,784
Quzhou Jidian New Energy Technology Co., Ltd.# 衢州極電新能源科技有限公司	Purchase of automobile parts and components (note (d))	**12,023**	12,316
	Research, development and technology licensing service income (note (d))	**272,019**	122,034
Zhejiang Green Smart Technology Innovation Co., Ltd.# 浙江綠色智行科創有限公司	Research, development and technology licensing service income (note (d))	**–**	12,779
Zhejiang Geely Education Technology Co., Ltd.# 浙江吉利教育科技有限公司	Operational service income (note (d))	**24,648**	27,237
	Operational service fee (note (d))	**29,006**	14,079
	Research, development and technology licensing service fee (note (d))	**–**	12,612
Geely Zhixing Technology (Chengdu) Co., Ltd# 吉利智行科技(成都)有限公司	Research, development and technology licensing service fee (note (d))	**–**	45,863

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Shanghai Xingya Shuhai Technology Co., Ltd.# 上海星矢數海科技有限公司	Operational service fee (note (d))	**–**	15,300
Quzhou Jidian E-Mobility Technology Company Limited# 衢州極電電動汽車技術有限公司	Purchase of automobile parts and components (note (d))	**5,680,585**	2,577,616
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**255,029**	187,862
	Research, development and technology licensing service income (note (d))	**11,307**	–
	Operational service income (note (d))	**13,659**	–
	Operational service fee (note (d))	**10.934**	–
Linyi Lingji Jianhua Automobile Sales and Service Co., Ltd.# 臨沂領吉建華汽車銷售服務有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**97,278**	43,973
Qizheng New Energy Vehicle (Jinan) Co., Ltd.# 啟征新能源汽車(濟南)有限公司	Operational service income (note (d))	**23,682**	20,231
	Purchase of automobile parts and components (note (d))	**14,201**	17,317
	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**15,340**	–
Leida New Energy Automobile (Zhejiang) Company Limited# 雷達新能源汽車(浙江)有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**66,721**	19,163

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	**2024 RMB'000**	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Linyi Lingjixing Automobile Sales Co., Ltd.# 臨沂領吉行汽車銷售有限公司	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**–**	21,029
Volvo Car Sales (Shanghai) Co., Ltd.# 沃爾沃汽車銷售(上海)有限公司	Sales of powertrain and related components (note (d))	**–**	83,419
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**29,886**	–
Guangyi Mingdao Digital Technology Co., Ltd.# 廣域銘島數字科技有限公司	Operational service fee (note (d))	**113,841**	81,434
Wuhan Geely Auto Parts Co., Ltd.# 武漢吉利汽車部件有限公司	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**27,602**	12,807
	Research, development and technology licensing service income (note (d))	**–**	21,359
Zhejiang Xuan Fu Technology Company Limited# 浙江軒孚科技有限公司	Purchase of automobile parts and components (note (d))	**208,365**	63,773
Geely International (Hong Kong) Limited ("**GIHK**")	Acquisition of associates and the loan receivable from an associate (note 18)	**–**	1,450,400
	Acquisition of additional interest in ZEEKR (note 41)	**5,900,000**	–
Geely Qizheng	Disposal of an associate (note 18)	**504,000**	–
Chongqing Livan Automotive Sales Company Limited#* 重慶睿藍汽車銷售有限公司	Sales of automobile parts and components	**–**	40,961
	Operational service income (note (d))	**15,740**	18,117

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Related companies (notes (a) and (b)) (Continued)			
Chongqing Livan Automotive Research Institute Limited#* 重慶睿藍汽車研究院有限公司	Research, development and technology licensing service income	**–**	14,658
Chongqing Livan	Operational service income (note (d))	**18,307**	28,077
Associates			
Hanna Mando (Ningbo)	Purchase of automobile parts and components	**–**	157,125
	Research, development and technology licensing service fee	**15,031**	11,419
	Research, development and technology licensing service income	**11,815**	–
	Dividend income	**48,402**	40,012
BELGEE	Sales of complete knock-down kits and automobile components	**2,298,607**	1,601,767
Haohan Energy	Purchase of automobile parts and components (note (d))	**97,044**	67,705
	Operational service fee (note (d))	**48,796**	–
Renault Korea	Research, development and technology licensing service income	**–**	489,766
	Dividend income (note 18)	**154,832**	180,375
	Sales of knock-down kits	**2,618,925**	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Associates (Continued)			
PROTON Group	Sales of complete build-up units	**1,433,296**	765,094
	Sales of automobile parts and components	**346,347**	126,283
	Interest income	**14,345**	16,498
InfiMotion	Purchase of automobile parts and components (note (d))	**636,085**	–
Times Geely	Dividend income	**90,846**	–
Joint ventures			
LYNK & CO Automotive Sales Company Limited#^ 領克汽車銷售有限公司	Sales of powertrain and related components (note (d))	**10,152**	16,517
	Purchase of automobile parts and components (note (d))	**80,186**	93,506
	Operational service income (note (d))	**213,012**	259,381
	Sales of complete build-up units and related after-sales parts, components and accessories (note (d))	**–**	166,804
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**67,223**	45,153
	Research, development and technology licensing service income (note (d))	**22,663**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Joint ventures (Continued)			
Kaiyue Auto Parts Manufacture (Zhangjiakou) Co., Ltd.#^ 凱悅汽車大部件製造(張家口)有限公司	Sales of powertrain and related components (note (d))	**212,417**	586,677
	Operational service income (note (d))	**122,074**	39,458
	Purchase of automobile parts and components (note (d))	**–**	67,128
	Research, development and technology licensing service income (note (d))	**30,694**	32,166
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**6,220,576**	1,873,256
	Purchase of complete build-up units (note (d))	**13,625**	91,204
Sichuan LYNK & CO Automotive Manufacturing Company Limited#^ 四川領克汽車製造有限公司	Sales of powertrain and related components (note (d))	**326,937**	813,006
	Purchase of complete knock-down kits and automobile components (note (d))	**996,121**	1,067,504
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**402,539**	601,197
	Operational service income (note (d))	**21,668**	15,382
	Purchase of automobile parts and components (note (d))	**24,202**	24,721
	Operational service fee (note (d))	**29,307**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Joint ventures (Continued)			
LYNK & CO Automotive Technology	Operational service income (note (d))	**102,801**	150,105
	Research, development and technology licensing service income (note (d))	**1,495,166**	905,276
	Sales of powertrain and related components (note (d))	**–**	29,308
	Sales of complete knock-down kits and automobile components (CKDs and Automobile Components Sales Agreement) (note (d))	**1,631,064**	–
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**19,286**	–
	Purchase of automobile parts and components (note (d))	**16,894**	–
	Operational service fee (note (d))	**13,161**	–
Yuyao LYNK & CO Auto Parts Company Limited#^ 余姚領克汽車部件有限公司	Sales of powertrain and related components (note (d))	**900,764**	1,492,416
	Purchase of complete build-up units (note (d))	**–**	14,039
	Research, development and technology licensing service income (note (d))	**84,580**	114,566
	Operational service income (note (d))	**62,704**	44,068
	Sales of automobile components (Automobile Components Sales Agreement) (note (d))	**127,652**	723,195
	Purchase of automobile parts and components (note (d))	**13,793**	152,556
Chengdu LYNK & CO Automotive Company Limited#^ 成都領克汽車有限公司	Operational service income (note (d))	**14,767**	11,980
	Research, development and technology licensing service income (note (d))	**–**	54,950
Yiwu LYNK & CO Automotive Co., Ltd.#^ 義烏領克汽車有限公司	Research, development and technology licensing service income (note (d))	**20,666**	–
Zhejiang Lingji Technology Engineering Services Company Limited#^ 浙江領極技術工程服務有限公司	Research, development and technology licensing service income (note (d))	**13,759**	–

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Joint ventures (Continued)			
LYNK & CO Automotive Technology (Ningbo Meishan Bonded Port Area) Co., Ltd.#^ 領克汽車科技(寧波梅山保税港區)有限公司	Research, development and technology licensing service income (note (d))	**59,990**	25,225
Horse Powertrain Group	Operational service income (note (d))	**227,744**	–
	Purchase of powertrain products (note (d))	**12,340,516**	–
	Operational service fee (note (d))	**191,059**	–
	Capital injection to Horse Powertrain	**18,175,311**	–
	Interest income	**72,657**	–
Genius AFC	Interest income	**287,238**	310,803
	Service charge	**20,597**	12,188
	Dividend income (note 19)	**450,000**	300,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Name of related parties	Nature of transactions	2024 RMB'000	2023 RMB'000
Ultimate holding company			
Geely Holding	Acquisition of property, plant and equipment (notes (f) and (g))	–	94,826
	Interest expense	–	2,926
	Operational service fee (note (d))	125,759	256,901
	Acquisition of a subsidiary (note 40)	123,689	–

Notes:

(a) The Group and the related companies are under the common control of the substantial shareholder of the Company's ultimate holding company.

(b) Prior to the end of October 2024, the Group did not have the automobile catalogue issued by the National Development Reform Commission in the PRC, which is required to facilitate the payment of the PRC consumption tax. The related parties referred to above have the relevant automobile catalogue license and therefore the sales of complete knock-down kits to and purchase of complete build-up units from related parties as set out above have been presented on a net basis in the consolidated income statement (to the extent that they are back-to-back transactions) since the said related parties in effect only act as a channel to facilitate the payment of the PRC consumption tax. For the same reason, the related claims income from and claims expenses paid to these related parties have also been presented on a net basis as long as they are back-to-back transactions.

(c) The related party transactions were conducted in the Group's normal course of business and at prices and terms no less favorable than those charged to and contracted with other third parties of the Group.

(d) The related party transactions constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in "Directors' Report" section of the annual report.

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions/information disclosed elsewhere in these consolidated financial statements, during the years ended 31 December 2024 and 2023, the Group had the following material transactions with connected and related parties (Continued):

(a) Transactions (Continued)

Notes: (Continued)

(e) Xi'an Geely was acquired by the Group in April 2023. The disclosed amounts represent transactions made prior to the acquisition.

(f) Pursuant to the assets transfer agreement dated 15 October 2021, the Company entered into a transaction with Geely Holding, pursuant to which the Group agreed to purchase and the Geely Holding Group agreed to sell assets comprising predominantly equipment for use in the Group's research and development for the LYNK & CO-branded, ZEEKR-branded and Geely-branded vehicle-related products such as vehicles engines and transmissions, as well as a small amount of office equipment and software systems for a maximum cash consideration of approximately RMB632,800,000. In addition, the Group agreed to sell and the Geely Holding Group agreed to purchase assets comprising vehicle testing-related machinery and equipment which are idle for use for a maximum cash consideration of approximately RMB357,900,000.

(g) Pursuant to the assets transfer agreement dated 15 September 2023, the Company entered into a transaction with Geely Holding, pursuant to which the Group agreed to purchase and the Geely Holding Group agreed to sell assets comprising predominantly equipment for use in the Group's research and development for the LYNK & CO-branded, ZEEKR-branded and Geely-branded vehicle-related products such as vehicles engines and transmissions, as well as a small amount of office equipment and software systems for a maximum cash consideration of approximately RMB508,500,000. In addition, the Group agreed to sell and the Geely Holding Group agreed to purchase assets comprising vehicle testing-related machinery and equipment for a maximum cash consideration of approximately RMB168,400,000.

(h) The company became a subsidiary of the joint venture, Horse Powertrain upon its formation in May 2024. The disclosed amounts represent transactions made prior to the formation of the joint venture.

(i) Zhejiang Haoqing was acquired by the Group in October 2024. The disclosed amounts represent transactions made prior to the acquisition.

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

^ The companies are wholly-owned subsidiaries of LYNK & CO Automotive Technology.

* The companies are wholly-owned subsidiaries of Chongqing Livan.

39. MATERIAL CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

(b) Remuneration of key management personnel

The remuneration of directors (as disclosed in note 13) and other members of key management personnel during the year are as follows:

	2024	2023
	RMB'000	RMB'000
Short-term benefits	**22,665**	20,497
Retirement scheme contribution	**756**	248
Equity settled share-based payments	**106,000**	110,749
	129,421	131,494

The remuneration of directors and key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends. Total remuneration is included in "Staff costs" (see note 9(b)).

Other than the material related party transactions disclosed above, no other transaction, arrangement or contract of significance to which the Company was a party and in which a director of the Company or a connected entity of a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

40. BUSINESS COMBINATION

2024

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

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

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

	Pre–acquisition carrying amounts RMB'000	Fair value adjustments RMB'000	Recognised fair values on acquisition RMB'000
The net assets acquired:			
Property, plant and equipment (note 14)	159,010	8,860	167,870
Land lease prepayments (note 16)	53,709	77,800	131,509
Trade and other receivables	3,527,551	–	3,527,551
Deferred tax assets (note 35)	39,629	–	39,629
Bank balances and cash	1,881,229	–	1,881,229
Trade and other payables	(5,578,811)	–	(5,578,811)
Income tax payable	(61)	–	(61)
Deferred tax liabilities (note 35)	–	(21,665)	(21,665)
	82,256	64,995	147,251
Gain on bargain purchase arising from acquisition (note 8):			
Fair value of identifiable net assets acquired			147,251
Cash consideration transferred			(123,689)
			23,562
Net cash inflow arising from acquisition of a subsidiary:			
Cash consideration paid			(123,689)
Bank balances and cash acquired			1,881,229
			1,757,540

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

40. BUSINESS COMBINATION (Continued)

2024 (Continued)

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

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

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

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

2023

Acquisition of Xi'an Geely

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

40. BUSINESS COMBINATION (Continued)

2023 (Continued)

Acquisition of Xi'an Geely (Continued)

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

	Pre–acquisition carrying amounts RMB'000	Fair value adjustments RMB'000	Recognised fair values on acquisition RMB'000
The net assets acquired:			
Property, plant and equipment (note 14)	2,243,007	(2,332)	2,240,675
Intangible assets (note 15)	1,907	58	1,965
Land lease prepayments (note 16)	385,529	232,331	617,860
Trade and other receivables	6,524,674	–	6,524,674
Inventories	936,928	851	937,779
Deferred tax assets (note 35)	34	–	34
Bank balances and cash	36,272	–	36,272
Trade and other payables	(9,945,064)	–	(9,945,064)
Deferred tax liabilities (note 35)	–	(34,636)	(34,636)
	183,287	196,272	379,559
Goodwill arising from acquisition (note 17):			
Cash consideration transferred			229,470
Consideration payable (notes (a) and 24)			152,980
Fair value of identifiable net assets acquired			(379,559)
			2,891
Net cash outflow arising from acquisition of a subsidiary:			
Cash consideration paid			(229,470)
Bank balances and cash acquired			36,272
			(193,198)

40. BUSINESS COMBINATION (Continued)

2023 (Continued)

Acquisition of Xi'an Geely (Continued)

Notes:

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

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

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

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

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

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

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

41. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interests arising from change in ownership interests in subsidiaries upon the issuance of new shares

2024

During the year ended 31 December 2024, ZEEKR undertook several corporate transactions that affected the Group's ownership interest and non-controlling interests of ZEEKR. These transactions included:

ZEEKR Offering

ZEEKR issued (i) 21,000,000 ADSs, representing 210,000,000 ZEEKR Shares, of which the Company subscribed for 12,900,952 ADSs, representing 129,009,520 ZEEKR Shares, and (ii) an additional 3,150,000 ADSs, representing 31,500,000 ZEEKR Shares, pursuant to the full exercise of the underwriters' over-allotment option. ZEEKR received net proceeds of approximately US$208,764,000 (equivalent to RMB1,508,868,000), net of issuance costs and after deducting US$270,920,000 (equivalent to RMB1,956,476,000) subscribed and paid by the Group. The Group also recognised a decrease of RMB73,317,000 in its capital reserve and an increase of RMB1,582,185,000 in non-controlling interests.

Immediately prior to the completion of the ZEEKR Offering, the Series A and Pre-A Preferred Shares were converted into ordinary shares of ZEEKR on a one-to-one basis by the holders during the year ended 31 December 2024.

Special Dividend Distribution

Out of the 12,900,952 ADSs subscribed by the Company in the ZEEKR Offering, 1,266 ADSs, representing 12,660 ZEEKR Shares, were distributed to the Company's qualifying shareholders as part of the Special Dividend Distribution (as described in note 11(d)).

Recognition of equity settled share-based payments

Due to the satisfaction of the initial public offering vesting condition, the Group recognised equity settled share-based payments of RMB1,030,768,000 for the ZEEKR Share Award Scheme.

Vesting of ZEEKR Share Award Scheme

A total of 45,555,414 ZEEKR Award Shares were vested to certain participants.

ZEEKR Award Shares repurchased by ZEEKR

ZEEKR repurchased 10,930,530 ZEEKR Award Shares from employees for a net cash consideration of approximately RMB187 million, which was remitted to the tax authority to satisfy statutory withholding tax obligations. These repurchased shares are held by ZEEKR as treasury shares as at 31 December 2024.

41. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

Non-controlling interests arising from change in ownership interests in subsidiaries upon the issuance of new shares (Continued)

2024 (Continued)

Acquisition of additional interest in ZEEKR from GIHK

In December 2024, the Group purchased 300,000,000 ZEEKR Shares from GIHK for approximately RMB5,900 million to simplify ZEEKR's shareholding structure and enhance the Group's influence in ZEEKR.

The effect of changes in ownership interest of ZEEKR on the Group's equity is summarised as follows:

Corporate transactions undertaken by ZEEKR	Consideration received/(paid) RMB'000	Increase/ (Decrease) in carrying amount of non-controlling interests RMB'000	Increase/ (Decrease) in capital reserve RMB'000
ZEEKR Offering	1,508,868	1,582,185	(73,317)
Special Dividend Distribution (note (a))	(69,661)	103	89
Recognition of equity settled share-based payments	–	1,030,768	–
Vesting of ZEEKR Share Award Scheme	–	(484,881)	484,881
ZEEKR Award Shares repurchased by ZEEKR (note (b))	(186,745)	(25,324)	(161,421)
Acquisition of additional interest in ZEEKR	(5,900,000)	(1,058,568)	(4,841,432)
Total	(4,647,538)	1,044,283	(4,591,200)

Notes:

(a) The non-controlling interests effect for the Special Dividend Distribution reflects the transfer of 12,660 ZEEKR Shares to the Company's qualifying shareholders, increasing non-controlling interests based on their proportionate carrying amount.

(b) The non-controlling interests effect for the repurchase of ZEEKR Award Shares is calculated based on the reduction in non-controlling interests due to the repurchase of 10,930,530 ZEEKR Award Shares, with the difference between the cash paid and non-controlling interests reduction recognised in capital reserve.

As a result of these transactions, the Group's ownership interest in ZEEKR increased from 54.73% to 65.66% during the year ended 31 December 2024.

2023

On 12 February 2023, ZEEKR entered into a new share purchase agreement with five investors, pursuant to which such investors agreed to subscribe for 139,375,669 Series A preferred shares ("**Series A Preferred Shares**") at a total consideration of US$750,000,000.

During the year ended 31 December 2023, the subscription for 139,375,669 Series A Preferred Shares was completed at a total consideration of US$750,000,000 (equivalent to approximately RMB5,373,118,000).

41. TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

Non-controlling interests arising from change in ownership interests in subsidiaries upon the issuance of new shares (Continued)

2023 (Continued)

The major terms of the Series A Preferred Shares are set out below:

(i) The Series A Preferred Shares carry voting rights and can vote together with ordinary shares as a single class on a fully diluted, as converted and as exercised basis.

(ii) The holders of Series A Preferred Shares are entitled to dividend on each share held on a *pari passu* basis with the ordinary shares and the dividend declared or paid is non-cumulative.

(iii) The Series A Preferred Shares are non-redeemable.

(iv) The Series A Preferred Shares are convertible into ordinary shares of ZEEKR on a one-to-one basis at the options of the holder.

Immediately after the issuance of 139,375,669 Series A Preferred Shares, the carrying amount of ZEEKR was RMB7,739,989,000 and subsequent to the issuance of Series A Preferred Shares, the equity interests of the Group in ZEEKR was reduced from approximately 58.31% to 54.73%. The Group recognised an increase in non-controlling interests of RMB3,983,030,000 and an increase in equity attributable to equity holders of the Company of RMB1,390,088,000. The effect of changes in ownership interest of ZEEKR on the equity attributable to equity holders of the Company during the year ended 31 December 2023 is summarised as follows:

	2023 RMB'000
Consideration received from non-controlling interests	5,373,118
Carrying amount of non-controlling interests deemed to be disposed of	(3,983,030)
Increase in capital reserve	1,390,088

42. NON-CASH TRANSACTIONS

The Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

During the year ended 31 December 2024, the Group entered into certain lease contracts, recognising additions to right-of-use assets and lease liabilities amounting to RMB693,962,000 (2023: RMB1,391,007,000) at the lease commencement date.

During the year ended 31 December 2024, the Group capitalised share-based payment expenses as product development costs of intangible assets, amounting to RMB6,627,000 (2023: RMB254,319,000).

43. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt (which includes bonds payable, bank borrowings (note) and loan from a related company) and equity attributable to equity holders of the Company, comprising issued perpetual capital securities, share capital and reserves.

Gearing ratio

The Company's Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each class of capital. The Group does not have a specific target gearing ratio determined as the proportion of debt to equity but will closely monitor the fluctuations of the gearing ratio.

The gearing ratio as at the end of the reporting period was as follows:

	2024 **RMB'000**	2023 RMB'000
Debt	**3,944,480**	6,103,053
Equity attributable to equity holders of the Company	**86,742,225**	80,508,824
Debt to equity ratio	**5%**	8%

Note: Bank borrowings comprise loans that are included in liabilities directly associated with assets classified as held for sale.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to market risks (including interest rate risk and currency risk), credit risk and liquidity risk arise in the normal course of the Group's business. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

These risks are limited by the Group's financial management policies and practices described below.

Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2024 RMB'000	2023 RMB'000
Financial assets		
Financial assets at FVOCI (recycling)		
– Trade and other receivables	**29,032,947**	20,118,021
Financial assets at FVOCI (non-recycling)		
– Listed equity investments	**78,797**	117,746
Financial assets carried at amortised cost		
– Trade and other receivables	**24,637,450**	18,346,501
– Restricted bank deposits	**2,881,148**	943,433
– Bank balances and cash	**40,865,000**	35,745,963
	97,495,342	75,271,664
Financial liabilities		
Financial liabilities measured at amortised cost		
– Trade and other payables	**102,731,271**	72,782,201
– Bank borrowings	**444,480**	2,840,240
– Bonds payable	**3,500,000**	1,500,000
– Loan from a related company	**–**	1,100,000
– Lease liabilities	**2,565,642**	2,659,949
Financial liabilities measured at FVTPL		
– Derivative financial instruments	**27,918**	12,702
	109,269,311	80,895,092

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

The Group's maximum exposure to credit risk without taking into account any collateral held is represented by the carrying amount of each financial asset, in the consolidated statement of financial position after deducting any loss allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group's policy is to deal only with creditworthy counterparties. Credit terms are granted to new customers after a creditworthiness assessment by the credit control department. When considered appropriate, customers may be requested to provide proof of their financial position. Where available at reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or upon delivery of goods. The payment records of customers are closely monitored. It is not the Group's policy to request collateral from its customers. As at 31 December 2024, 13% (2023: 27%) of the total trade receivables were due from the Group's five largest customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, assessed individually or based on provision matrix, as appropriate. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

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

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. In applying the forward-looking information, the Group has taken into account the possible impacts associated with the overall change in the economic environment arising from volatility or disruptions in energy, financial, foreign currency or commodity markets.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Credit risk (Continued)

Trade receivables (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2024	2023
	RMB'000	RMB'000
Balance at 1 January	**231,335**	225,446
Impairment losses recognised during the year	**19,320**	5,889
Balance at 31 December	**250,655**	231,335

Debt instruments at FVOCI (recycling) and other financial assets at amortised cost

Other financial assets at amortised cost include utility deposits and other receivables, loans to an associate and a joint venture, restricted bank deposits and bank balances and cash. In order to minimise the credit risk of utility deposits and other receivables, the management makes periodic collective and individual assessment on their recoverability based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operate. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of utility deposits and other receivables are considered to be low.

Besides, management is of opinion that there is no significant increase in credit risk on utility deposits and other receivables and loans to an associate and a joint venture since initial recognition as the risk of default is low after considering the factors as set out in note 4(h) and, thus ECL recognised is based on 12-month ECLs. As at 31 December 2024, 12-month ECL allowance of RMB107,928,000 (2023: RMB154,411,000) was made against the gross carrying amount of utility deposits and other receivables while no 12-month ECL allowance was provided on loans to an associate and a joint venture (2023: RMBNil), taking into account the debtors' creditworthiness, financial strength, past collection records, etc. No lifetime ECL was provided on utility deposits and other receivables (2023: RMBNil) and loans to an associate and a joint venture (2023: RMBNil).

The credit risks on restricted bank deposits and bank balances and cash are considered to be insignificant because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies.

The credit risk on notes receivable is considered to be insignificant because there was no material default by the counterparties in the past.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group's remaining contractual maturities for its non-derivative financial liabilities as at 31 December 2024 and 2023. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Weighted average effective interest rate %	Within one year or on demand RMB'000	More than one year but less than two years RMB'000	More than two years RMB'000	Total contractual undiscounted cash flows RMB'000	Total carrying amount as at 31 December RMB'000
2024						
Financial liabilities measured at amortised cost:						
Trade and other payables	N/A	102,731,271	–	–	102,731,271	102,731,271
Bank borrowings	3.04	43,065	303,562	115,988	462,615	444,480
Bonds payable	2.64	92,350	1,592,350	2,043,600	3,728,300	3,500,000
Lease liabilities	3.38	870,939	666,841	1,253,641	2,791,421	2,565,642
		103,737,625	2,562,753	3,413,229	109,713,607	109,241,393

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

	Weighted average effective interest rate	Within one year or on demand	More than one year but less than two years	More than two years	Total contractual undiscounted cash flows	Total carrying amount as at 31 December
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023						
Financial liabilities measured at amortised cost:						
Trade and other payables	N/A	72,782,201	–	–	72,782,201	72,782,201
Bank borrowings	6.17	175,220	2,957,053	–	3,132,273	2,840,240
Bonds payable	3.25	48,750	48,750	1,548,750	1,646,250	1,500,000
Loan from a related company	4.50	52,786	52,786	1,517,896	1,623,468	1,100,000
Lease liabilities	4.11	831,149	1,505,609	541,598	2,878,356	2,659,949
		73,890,106	4,564,198	3,608,244	82,062,548	80,882,390

Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from long-term borrowings. Lease liabilities (note 27), loan from a related company (note 29) and bonds payable (note 33) bearing fixed rates and bank borrowings (note 28) bearing both fixed and variable rates expose the Group to fair value interest rate risk and cashflow interest rate risk, respectively. The interest rate risk for the Group's short-term bank deposits is considered immaterial.

The interest rate profile of the Group as at the end of the reporting period has been set out in the liquidity risk section of this note.

As at 31 December 2024, it is estimated that an increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB972,000 (2023: RMB28,402,000).

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Interest rate risk (Continued)

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate over the next twelve-month period.

The calculations are based on changes in average market interest rates for each period, and the financial instruments held at the end of each reporting period that are sensitive to changes in interest rates. All other variables are held constant. The analysis is performed on the same basis as in 2023.

Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risks primarily through sales and purchases which give rise to receivables, payables, interest bearing borrowings, and bank balances that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The foreign currencies giving rise to this risk are primarily HK$, US$, Swedish Krona ("**SEK**"), EUR, and Russian Rubles ("**RUB**").

Foreign exchange risk

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

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

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

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Currency risk (Continued)

Risk management strategy

To manage these foreign exchange risks, the Group has implemented a comprehensive risk management strategy. This includes entering into certain foreign exchange forward contracts, as set out in note 22, to mitigate part of its foreign exchange exposure. These foreign exchange forward contracts do not qualify for hedge accounting and are accounted for as financial liabilities at FVTPL. Hedging opportunities in certain markets remain limited due to market conditions and elevated hedging costs. The Group has also enhanced its natural hedging position by increasing the proportion of costs denominated in local currencies through its overseas plants, thereby facilitating engagement in local business activities. Furthermore, to maintain competitiveness in export markets despite currency challenges, the Group has accelerated the renewal of its export models and implemented operational efficiency initiatives, focusing on showcasing comparative advantages.

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

The following table details the Group's exposure as at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Currency risk (Continued)

	2024					2023				
	HK$	US$	SEK	EUR	RUB	HK$	US$	SEK	EUR	RUB
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances and cash	155,782	2,364,857	253,095	507,830	28,610	93,814	3,977,652	67,586	168,528	416,123
Trade and other receivables	-	125,208	850,570	566,410	32,350	–	709,308	647,337	859,558	281,190
Bank borrowings	-	-	-	-	-	–	(2,840,240)	–	–	–
Trade and other payables	-	(271,822)	(299,102)	(128,864)	(1,354,040)	–	(83,597)	(185,828)	(2,260)	(764,409)
Net exposure arising from recognised assets and liabilities	155,782	2,218,243	804,563	945,376	(1,293,080)	93,814	1,763,123	529,095	1,025,826	(67,096)

As the Group is mainly exposed to the effects of fluctuation in HK$/US$/SEK/EUR/RUB, the following table indicates the approximate change in the Group's profit after taxation and retained profits. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2023. Results of the analysis as presented in the below table represent an aggregation of the effects on each of the Group entities' profit after taxation and retained profits measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Currency risk (Continued)

	Impact of HK$		Impact of US$		Impact of SEK		Impact of EUR		Impact of RUB	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
Profit after taxation/Retained profits	**7,790**	4,690	**93,378**	58,359	**30,573**	19,841	**44,490**	39,142	**(64,940)**	(2,851)

Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy, as defined by HKFRS 13. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.
- Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

The financial assets measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Fair value as at 31 December		Fair value hierarchy
	2024 **RMB'000**	2023 RMB'000	
Financial assets at FVOCI (recycling)			
Notes receivable measured at FVOCI (recycling)	**29,032,947**	20,118,021	Level 2
Financial assets at FVOCI (non-recycling)			
Listed equity investments	**78,797**	117,746	Level 1
Financial liabilities at FVTPL			
Foreign exchange forward contracts not designated as hedging instruments	**27,918**	12,702	Level 2

There were no transfer between the different levels of the fair value hierarchy during the year ended 31 December 2024 (2023: Nil).

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 1, Level 2 and Level 3 are unchanged compared to the previous reporting periods and are described below.

44. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements of financial instruments (Continued)

Listed equity investments

The fair value of listed equity investments in Level 1 is determined by reference to published price quotations in an active market.

Notes receivable measured at FVOCI (recycling)

The fair value of notes receivable in Level 2 is determined by discounting its future cash flows. The discount rates used are reference to rates currently available for instruments issued by commercial banks/government with similar terms, credit risk and remaining maturities.

Foreign exchange forward contracts not designated as hedging instruments

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the end of the reporting period. Normally, the derivatives entered into by the Group are not traded on active markets. The fair values of such contracts are estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the current contract using a risk-free interest rate. The effects of non-observable inputs are not significant for the derivative financial instruments.

Fair value of financial assets and liabilities carried at amortised cost

The directors of the Company consider that the carrying amounts of financial instruments carried at amortised cost of the Group are not materially different from their fair values as at 31 December 2024 and 2023.

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 RMB'000	2023 RMB'000
Non-current assets		
Property, plant and equipment	**1,604**	3,619
Investments in subsidiaries	**17,147,881**	10,575,029
Interest in a joint venture	**6,406,432**	6,053,805
Financial assets at FVOCI	**78,797**	117,746
	23,634,714	16,750,199
Current assets		
Prepayments and other receivables	**2,069**	1,153
Derivative financial instruments	**–**	12,374
Amounts due from subsidiaries	**15,614,737**	13,906,622
Bank balances and cash	**1,401,604**	740,924
	17,018,410	14,661,073
Current liabilities		
Other payables	**113,046**	45,899
Derivative financial instruments	**8,042**	–
Amounts due to subsidiaries	**7,775,905**	4,109,401
Lease liabilities	**1,451**	2,118
	7,898,444	4,157,418
Net current assets	**9,119,966**	10,503,655
Total assets less current liabilities	**32,754,680**	27,253,854

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

	2024 RMB'000	2023 RMB'000
Capital and reserves		
Share capital	**184,020**	183,807
Perpetual capital securities	**–**	3,413,102
Reserves (note)	**29,070,660**	19,315,254
Total equity	**29,254,680**	22,912,163
Non-current liabilities		
Lease liabilities	**–**	1,451
Bonds payable	**3,500,000**	1,500,000
Bank borrowings	**–**	2,840,240
	3,500,000	4,341,691
	32,754,680	27,253,854

Approved and authorised for issue by the Board of Directors on 20 March 2025.

Gui Sheng Yue	**Mao Jian Ming, Moosa**
Director	*Director*

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The movement of reserves represents:

	Share premium# RMB'000	Share-based compensation reserve RMB'000	Fair value reserve (non–recycling)# RMB'000	(Accumulated Losses)/ Retained profits# RMB'000	Total RMB'000
Balance at 1 January 2023	18,020,191	2,740,758	(95,958)	(4,580,728)	16,084,263
Profit for the year	–	–	–	4,412,365	4,412,365
Other comprehensive expense:					
Change in fair value of equity investments at FVOCI	–	–	(166,266)	–	(166,266)
Total comprehensive income for the year	–	–	(166,266)	4,412,365	4,246,099
Transactions with owners:					
Equity settled share-based payments (note 38)	–	900,655	–	–	900,655
Shares issued under share award scheme (note 30(b))	146,758	(146,758)	–	–	–
Dividends paid to equity holders of the Company (note 11(b))	–	–	–	(1,915,763)	(1,915,763)
Total transactions with owners	146,758	753,897	–	(1,915,763)	(1,015,108)
Balance at 31 December 2023	18,166,949	3,494,655	(262,224)	(2,084,126)	19,315,254
Balance at 1 January 2024	**18,166,949**	**3,494,655**	**(262,224)**	**(2,084,126)**	**19,315,254**
Profit for the year	**–**	**–**	**–**	**11,350,589**	**11,350,589**
Other comprehensive expense:					
Change in fair value of equity investments at FVOCI	**–**	**–**	**(38,949)**	**–**	**(38,949)**
Total comprehensive income for the year	**–**	**–**	**(38,949)**	**11,350,589**	**11,311,640**
Transactions with owners:					
Equity settled share-based payments (note 38)	**–**	**724,497**	**–**	**–**	**724,497**
Shares issued under share option scheme (note 30(a))	**63,337**	**(14,862)**	**–**	**–**	**48,475**
Shares issued under share award scheme (note 30(b))	**137,094**	**(137,094)**	**–**	**–**	**–**
Dividends paid to equity holders of the Company (note 11(b))	**–**	**–**	**–**	**(2,050,555)**	**(2,050,555)**
Special Dividend Distribution (as defined in note 11(d))	**–**	**–**	**–**	**(69,853)**	**(69,853)**
Redemption of perpetual capital securities (note 31)	**–**	**–**	**–**	**(208,798)**	**(208,798)**
Total transactions with owners	**200,431**	**572,541**	**–**	**(2,329,206)**	**(1,556,234)**
Balance at 31 December 2024	**18,367,380**	**4,067,196**	**(301,173)**	**6,937,257**	**29,070,660**

As at 31 December 2024, the aggregate amount of reserves available for distribution to equity holders of the Company was RMB25,003,464,000 (2023: RMB15,820,599,000).

46. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows:

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024 Directly	Percentage of equity interests held in 2024 Indirectly	Percentage of equity interests held in 2023 Directly	Percentage of equity interests held in 2023 Indirectly	Principal activities
CIL	British Virgin Islands	Limited liability company	US$2	**100%**	**-**	100%	–	Investment holding
Aurobay Holding Limited	British Virgin Islands	Limited liability company	US$50,000	**-**	**100%**	–	100%	Investment holding
ZEEKR	Cayman Islands	Limited liability company	US$508,394 (2023: US$453,169)	**-**	**65.66%**	–	54.73%	Investment holding
ZEEKR Automobile (Shanghai)*	The PRC	Limited liability company	RMB1,855,538,567	**-**	**65.66%**	–	54.73%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
ZEEKR Automobile (Ningbo Hangzhou Bay New Zone) Company Limited# 極氪汽車(寧波杭州灣新區)有限公司	The PRC	Limited liability company	RMB500,000,000	**-**	**65.66%**	–	54.73%	Research and development, purchase and sales of electric mobility related products under the ZEEKR brand in the PRC
ZEEKR Technology Europe AB (formerly known as China-Euro Vehicle Technology AB)	Sweden	Limited liability company	SEK10,000,000	**-**	**65.66%**	–	54.73%	Automotive design, software systems development, modular development, virtual engineering of intelligent electric vehicles and provision of mobility technology solutions
Viridi E-Mobility Technology (Ningbo) Company Limited# 威睿電動汽車技術(寧波)有限公司	The PRC	Limited liability company	RMB122,448,980	**-**	**33.49%**	–	27.91%	Research, development, production and sales of automobile components including electric powertrain and battery systems and related products and provision of after-sales services in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

46. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows (Continued):

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024 Directly	Percentage of equity interests held in 2024 Indirectly	Percentage of equity interests held in 2023 Directly	Percentage of equity interests held in 2023 Indirectly	Principal activities
Geely Auto Middle East FZE	The United Arab Emirates	Limited liability company	United Arab Emirates Dirham 10,000,000	-	100%	–	100%	Marketing and sales of vehicles in the Middle East
Jirun Automobile^	The PRC	Limited liability company	US$790,000,000	-	99%	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Hunan Geely Automobile Components Company Limited# 湖南吉利汽車部件有限公司	The PRC	Limited liability company	RMB612,348,777	-	99%	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Baoji Geely Automobile Components Company Limited# 寶雞吉利汽車部件有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	99%	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Shanxi Geely Automobile Components Company Limited# 山西吉利汽車部件有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	99%	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Hangzhou Geely Automobile Company Limited# 杭州吉利汽車有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	99%	–	99%	Research and development, manufacturing, promotion and sales of vehicles and related automobile components and provision of related after-sales and technical services in the PRC

46. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows (Continued):

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024 Directly	Percentage of equity interests held in 2024 Indirectly	Percentage of equity interests held in 2023 Directly	Percentage of equity interests held in 2023 Indirectly	Principal activities
Guizhou Geely Automobile Manufacturing Company Limited# 貴州吉利汽車製造有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	**99%**	–	99%	Research and development, manufacturing, promotion and sales of vehicles and related automobile components and provision of related after-sales and technical services in the PRC
Zhejiang Ruhoo Automobile Company Limited# 浙江陸虎汽車有限公司	The PRC	Limited liability company	RMB521,676,992	-	**99%**	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Changxing Geely Automobile Components Company Limited# 長興吉利汽車部件有限公司	The PRC	Limited liability company	RMB600,000,000	-	**99%**	–	99%	Research, development, production and sales of complete knock-down kits, related automobile components and provision of after-sales services in the PRC
Xi'an Geely	The PRC	Limited liability company	RMB350,000,000	-	**99%**	–	99%	Manufacturing and sales of complete knock-down kits, automobile parts and components in the PRC
Xi'an Jirun Automobile Manufacturing Company Limited# 西安吉潤汽車製造有限公司	The PRC	Limited liability company	RMB500,000,000	-	**99%**	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Zhejiang Geely Holding Group Automobile Sales Company Limited# 浙江吉利控股集團汽車銷售有限公司	The PRC	Limited liability company	RMB60,559,006	-	**99%**	–	99%	Marketing and sales of vehicles in the PRC

46. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows (Continued):

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024		Percentage of equity interests held in 2023		Principal activities
				Directly	Indirectly	Directly	Indirectly	
Zhejiang Geely International Limited# 浙江吉利汽車國際貿易有限公司	The PRC	Limited liability company	RMB10,000,000	-	99%	–	99%	Export of vehicles outside the PRC
Limited Liability Company "Geely Motors"	Russia	Limited liability company	RUB14,010,000	-	99%	–	99%	Marketing and sales of vehicles in Russia
Geely Automobile Research Institute (Ningbo) Company Limited# 吉利汽車研究院(寧波)有限公司	The PRC	Limited liability company	RMB30,000,000	-	99%	–	99%	Research and development of vehicles and related automobile components in the PRC
Zhejiang Geely Automobile Engineering Technology Development Company Limited# 浙江吉利汽車工程技術開發有限公司	The PRC	Limited liability company	RMB30,000,000	-	99%	–	99%	Research and development of vehicles and related automobile components in the PRC
Zhejiang Geely Automobile Spare Parts Company Limited# 浙江吉利汽車備件有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	99%	–	99%	Research, development, production, marketing and sales of vehicles and related automobile components in the PRC
Ningbo Jirun Automobile Components Company Limited# 寧波吉潤汽車部件有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	99%	–	99%	Research and development, manufacturing, promotion and sales of vehicles and related automobile components and provision of related after-sales and technical services in the PRC
Zhejiang Jisu Logistics Company Limited# 浙江吉速物流有限公司	The PRC	Limited liability company	RMB50,000,000	-	99%	–	99%	Provision of general logistic, packing and storage services in the PRC

46. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows (Continued):

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024		Percentage of equity interests held in 2023		Principal activities
				Directly	Indirectly	Directly	Indirectly	
Zhejiang Haoqing	The PRC	Limited liability company	RMB3,530,000,000	-	100%	–	–	Engaged in the automotive-related integrated vehicle services in the PRC
Aurobay Technology Company Limited# 極光灣科技有限公司	The PRC	Limited liability company	RMB500,000,000	-	-@	–	100%	Production of automobile engines in the PRC
Baoji Geely Engine Company Limited# 寶雞吉利發動機有限公司	The PRC	Limited liability company	RMB300,000,000	-	-@	–	100%	Research, development, production and sales of vehicle engines and related after-sales parts in the PRC
Zhejiang Fengrui Engine Company Limited# 浙江鋒銳發動機有限公司	The PRC	Limited liability company	RMB1,500,000,000	-	-@	–	100%	Production of automobile engines in the PRC
Guizhou Geely Engine Company Limited# 貴州吉利發動機有限公司	The PRC	Limited liability company	RMB480,000,000	-	-@	–	100%	Preparation and construction of engine manufactory project in the PRC
Taizhou Binhai Geely Engine Company Limited# 台州濱海吉利發動機有限公司	The PRC	Limited liability company	RMB770,000,000	-	-@	–	100%	Preparation and construction of engine manufactory project in the PRC
Ningbo Geely Luoyou Engine Components Company Limited# 寧波吉利羅佑發動機零部件有限公司	The PRC	Limited liability company	RMB282,800,000	-	-@	–	100%	Production of automobile components in the PRC
Zhejiang Yili Automobile Components Company Limited# 浙江義利汽車零部件有限公司	The PRC	Limited liability company	RMB500,000,000	-	-@	–	100%	Research, development, production and sales of vehicle engines and related after-sales parts in the PRC

46. INVESTMENTS IN SUBSIDIARIES (Continued)

Investments in subsidiaries represent unlisted shares at cost. Particulars of the principal subsidiaries at 31 December 2024 and 2023 are as follows (Continued):

Name of companies	Place of incorporation/ registration and operations	Type of legal entity	Issued and fully paid up/ registered capital	Percentage of equity interests held in 2024		Percentage of equity interests held in 2023		Principal activities
				Directly	Indirectly	Directly	Indirectly	
Yiwu Geely Powertrain Company Limited# 義烏吉利動力總成有限公司	The PRC	Limited liability company	RMB320,000,000	-	-@	–	100%	Technology research and development, technology consultancy services, manufacture and sales of vehicle engines and provision of after-sales services in the PRC
Yiwu Geely Automatic Transmission Company Limited# 義烏吉利自動變速器有限公司	The PRC	Limited liability company	RMB375,000,000	-	-@	–	100%	Research, development, production and sales of vehicle transmissions and related after-sales parts in the PRC
Ningbo Shangzhongxia Automatic Transmission Company Limited# 寧波上中下自動變速器有限公司	The PRC	Limited liability company	RMB1,000,000,000	-	-@	–	100%	Research, development, production and sales of vehicle transmissions and related after-sales parts in the PRC

* The Company's subsidiary is wholly foreign-owned enterprise established in the PRC with an operation period of 30 years.

^ The Company's subsidiary is sino-foreign equity joint venture established in the PRC with an unlimited operation period.

@ The company became a subsidiary of the joint venture, Horse Powertrain upon its formation in May 2024.

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

None of the subsidiaries had issued any debt securities during the year or at the end of the year (note 41).

46. INVESTMENTS IN SUBSIDIARIES (Continued)

The following table lists out the information related to subgroup of Jirun Automobile and ZEEKR, the subsidiaries of the Group which have material non-controlling interests. The summarised financial information presented below represents the amounts before any inter-company elimination.

	Jirun Automobile	
	2024	2023
	RMB'000	RMB'000
Non-controlling interests percentage	**1%**	1%
Non-current assets	**48,121,065**	41,782,181
Current assets	**100,142,422**	115,206,852
Current liabilities	**(92,953,648)**	(98,617,591)
Non-current liabilities	**(3,339,681)**	(1,845,623)
Net assets	**51,970,158**	56,525,819
Carrying amount of non-controlling interests	**519,472**	565,628
Revenue	**245,102,056**	226,222,768
Profit for the year	**8,000,105**	3,923,111
Other comprehensive income/(expense) for the year	**29,479**	(99,641)
Total comprehensive income for the year	**8,029,584**	3,823,470
Profit allocated to non-controlling interests	**80,001**	39,231
Other comprehensive income/(expense) allocated to non-controlling interests	**295**	(996)
Dividend paid to non-controlling interests	**(126,452)**	(40,000)
Cash flows generated from operating activities	**13,535,562**	10,094,174
Cash flows used in investing activities	**(5,269,732)**	(178,446)
Cash flows used in financing activities	**(13,045,047)**	(4,502,843)
Net cash (outflows)/inflows	**(4,779,217)**	5,412,885

46. INVESTMENTS IN SUBSIDIARIES (Continued)

The following table lists out the information related to subgroup of Jirun Automobile and ZEEKR, the subsidiaries of the Group which have material non-controlling interests. The summarised financial information presented below represents the amounts before any inter-company elimination. (Continued)

	ZEEKR	
	2024	2023
	RMB'000	RMB'000
Non-controlling interests percentage	**34.34%**	45.27%
Non-current assets	**28,273,161**	22,546,145
Current assets	**25,228,634**	20,442,028
Current liabilities	**(39,646,608)**	(31,842,809)
Non-current liabilities	**(2,752,328)**	(3,501,629)
Net assets	**11,102,859**	7,643,735
Carrying amount of non-controlling interests	**5,187,492**	4,093,970
Revenue	**75,796,446**	51,635,601
Loss for the year	**(846,634)**	(1,134,642)
Other comprehensive (expense)/income for the year	**(35,183)**	49,765
Total comprehensive expense for the year	**(881,817)**	(1,084,877)
Profit/(loss) allocated to non-controlling interests	**61,312**	(416,902)
Other comprehensive (expense)/income allocated to non-controlling interests	**(15,970)**	20,919
Cash flows generated from operating activities	**10,646,742**	9,260,904
Cash flows used in investing activities	**(7,679,428)**	(9,117,223)
Cash flows generated from/(used in) financing activities	**1,568,456**	(439,809)
Net cash inflows/(outflows)	**4,535,770**	(296,128)

47. EVENTS AFTER THE REPORTING PERIOD

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

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

Formation of a joint venture

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

– Chongqing Two Rivers New Area High Quality Development Industry Private Equity Investment Fund Partnership (Limited Partnership)# (“**Two Rivers Industrial Fund**”) 重慶兩江新區高質量發展產業私募股權投資基金合夥企業(有限合夥)

– Chongqing Industrial Investment Master Fund Partnership (Limited Partnership)# (“**Chongqing Industrial Master Fund**”) 重慶產業投資母基金合夥企業(有限合夥)

– Maichi Zhixing (Chongqing) Technology Co., Ltd.# (“**Chongqing Maichi**”) 邁馳智行(重慶)科技有限公司

– Ningbo Lotus Robotics Company Limited# (“**Lotus Robotics**”) 寧波路特斯機器人有限公司

– Chongqing Qianli Technology Co., Ltd.# (“**Qianli Technology**”) 重慶千里科技股份有限公司

– Chongqing Jianghehui Management Co., Ltd.# (“**Jianghehui**”) 重慶江河匯企業管理有限責任公司

47. EVENT AFTER THE REPORTING PERIOD (Continued)

Formation of a joint venture (Continued)

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

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

The formation of the New JV has not yet been completed as at the date of authorisation of these consolidated financial statements. Please refer to the Company's announcement dated 2 March 2025 for further details.

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

48. COMPARATIVE FIGURES

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

CORPORATE INFORMATION

EXECUTIVE DIRECTORS:

Mr. Li Shu Fu *(Chairman)*
Mr. Li Dong Hui, Daniel *(Vice Chairman)*
Mr. Gui Sheng Yue *(Chief Executive Officer)*
Ms. Wei Mei
Mr. Gan Jia Yue
Mr. Mao Jian Ming, Moosa

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. An Qing Heng
Mr. Wang Yang
Ms. Gao Jie
Ms. Yu Li Ping, Jennifer
Mr. Zhu Han Song
Ms. Tseng Chin I *(appointed on 24 March 2025)*

AUDIT COMMITTEE:

Ms. Gao Jie *(Committee's Chairperson)*
Mr. An Qing Heng
Mr. Wang Yang
Ms. Yu Li Ping, Jennifer
Ms. Tseng Chin I *(appointed on 24 March 2025)*

REMUNERATION COMMITTEE:

Mr. Zhu Han Song *(Committee's Chairman)*
Mr. Wang Yang
Ms. Gao Jie

NOMINATION COMMITTEE:

Mr. Wang Yang *(Committee's Chairman)*
Ms. Gao Jie
Ms. Yu Li Ping, Jennifer
Ms. Tseng Chin I *(appointed on 24 March 2025)*

SUSTAINABILITY COMMITTEE:

Mr. Gan Jia Yue *(Committee's Chairman)*
Mr. Gui Sheng Yue
Mr. Wang Yang
Ms. Tseng Chin I *(appointed on 24 March 2025)*

EXECUTIVE COMMITTEE:

Mr. Gui Sheng Yue
Mr. Gan Jia Yue

COMPANY SECRETARY:

Mr. Cheung Chung Yan, David

AUDITOR:

Grant Thornton Hong Kong Limited

LEGAL ADVISOR ON HONG KONG LAW:

Sidley Austin

LEGAL ADVISOR ON CAYMAN ISLANDS LAW:

Maples and Calder

CORPORATE INFORMATION

PRINCIPAL BANKERS IN HONG KONG (IN ALPHABETICAL ORDER):

Australia and New Zealand Banking Group Limited
Bank of America, N.A.
Bank of China (Hong Kong) Limited
Bank of China Limited, Singapore Branch
Barclays Bank PLC
BNP Paribas
CLSA Limited
DBS Bank Limited
Nanyang Commercial Bank, Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
UBS AG Hong Kong Branch

PRINCIPAL BANKERS IN THE PEOPLE'S REPUBLIC OF CHINA (IN ALPHABETICAL ORDER):

Bank of China Limited
BNP Paribas (China) Limited
China CITIC Bank Corporation Limited
CITIC Securities Company Limited
Industrial and Commercial Bank of China Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS:

Room 2301, 23rd Floor, Great Eagle Centre,
23 Harbour Road, Wan Chai,
Hong Kong
Telephone: (852) 2598 3333
Facsimile: (852) 2598 3399
Email: general@geelyauto.com.hk

REGISTERED OFFICE:

P.O. Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

HONG KONG SHARE REGISTRARS & TRANSFER OFFICE:

Union Registrars Limited
Suites 3301-04, 33/F.,
Two Chinachem Exchange Square,
338 King's Road, North Point,
Hong Kong

INVESTOR & MEDIA RELATIONS:

Prime International Consultants Limited

LISTING INFORMATION:

The Stock Exchange of Hong Kong Limited
Stock codes: 175 (HKD counter) & 80175 (RMB counter)

COMPANY'S WEBSITE:

http://www.geelyauto.com.hk

GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong

香港灣仔港灣道 23 號鷹君中心 23 樓 2301 室

FSC
www.fsc.org
MIX
Paper | Supporting responsible forestry
FSC® C008061

PRINTED WITH SOY INK™