五菱汽車集團控股有限公司
WULING MOTORS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability) *(股份代號 Stock Code : 305)*

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	2024	2023	Change
	RMB'000	*RMB'000*	+/– *(%)*
Revenue	**7,949,439**	10,483,933	–24.2%
Gross profit	**860,097**	1,036,999	–17.1%
Profit for the year	**111,245**	69,456	+60.2%
Profit attributable to the owners of the Company	**50,621**	23,477	+115.6%
Earnings per share			
Basic	**RMB1.53 cent**	RMB0.71 cent	+115.5%
Diluted	**RMB1.53 cent**	RMB0.71 cent	+115.5%
Final dividend	**HKD0.5 cent**	HKD0.5 cent	No change

RESULTS

The board of directors (the "**Board**") of Wuling Motors Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the previous year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*4*		
Goods and services		**7,916,695**	10,448,024
Rental		**32,744**	35,909
Total revenue		**7,949,439**	10,483,933
Cost of sales and services		**(7,089,342)**	(9,446,934)
Gross profit		**860,097**	1,036,999
Other income	*5(a)*	**284,624**	214,407
Other gains and losses	*5(b)*	**(44,802)**	5,095
Impairment losses under expected credit loss model, net of reversals of impairment losses		**(22,299)**	(28,878)
Selling and distribution costs		**(80,873)**	(139,653)
General and administrative expenses		**(429,816)**	(498,263)
Research and development expenses		**(282,187)**	(306,556)
Net gain on disposal of investment in an associate		**6,690**	–
Net gain on disposal of investment in a joint venture		**11,547**	–
Share of results of associates		**(63,140)**	(82,066)
Share of results of joint ventures		**(3,508)**	(3,116)
Finance costs	*7(a)*	**(115,997)**	(120,508)
Profit before taxation	*7*	**120,336**	77,461
Income tax expense	*6*	**(9,091)**	(8,005)
Profit for the year		**111,245**	69,456
Profit for the year attributable to:			
Owners of the Company		**50,621**	23,477
Non-controlling interests		**60,624**	45,979
Total		**111,245**	69,456
Earnings per share	*9*		
Basic		**RMB1.53 cent**	RMB0.71 cent
Diluted		**RMB1.53 cent**	RMB0.71 cent
Dividend	*8*		
Interim dividend		**Nil**	Nil
Final dividend		**HKD0.5 cent**	HKD0.5 cent

	NOTES	**2024** *RMB'000*	2023 *RMB'000*
Profit for the year		**111,245**	69,456
Other comprehensive income (expense) for the year (after tax)			
Item that will not be reclassified to profit or loss:			
Revaluation surplus resulting from the change from property, plant and equipment and right-of-use assets to investment properties		**8,092**	3,608
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of operations outside Mainland China		**(1,341)**	3,071
Fair value gain on bills receivable at fair value through other comprehensive income ("**FVTOCI**")		**13,656**	4,323
Other comprehensive income for the year		**20,407**	11,002
Total comprehensive income for the year		**131,652**	80,458
Total comprehensive income for the year attributable to:			
Owners of the Company		**62,527**	31,378
Non-controlling interests		**69,125**	49,080
Total		**131,652**	80,458

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10(c)	**2,510,356**	2,806,820
Right-of-use assets	10(b)	**237,732**	224,074
Intangible assets		**120,953**	95,552
Investment properties	10(a)	**437,974**	436,351
Interests in associates	11(a), (b)	**701,333**	770,360
Interests in joint ventures	11(c)	**106,736**	120,440
Deposits paid for acquisition of property, plant and equipment		**4,542**	5,824
Equity instrument at FVTOCI		**42,765**	42,765
		4,162,391	4,502,186
CURRENT ASSETS			
Inventories		**672,466**	806,403
Trade and other receivables	12	**2,386,222**	2,926,814
Bills receivables and bills receivable at FVTOCI	13	**2,933,385**	3,669,416
Prepaid tax		**965**	163
Pledged bank deposits		**453,143**	528,997
Bank balances and cash		**3,160,344**	2,616,795
		9,606,525	10,548,588

	NOTES	2024 RMB'000	2023 RMB'000
CURRENT LIABILITIES			
Trade and other payables	*14*	**4,995,328**	6,169,357
Contract liabilities		**97,255**	143,368
Lease liabilities	*10(b)*	**29,660**	57,183
Provision for warranty	*15*	**103,666**	105,481
Bank borrowings		**1,857,777**	1,276,201
Advances drawn on bills receivable discounted with recourse		**2,448,817**	3,274,069
		9,532,503	11,025,659
NET CURRENT ASSETS/(LIABILITIES)		**74,022**	(477,071)
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,236,413**	4,025,115
NON-CURRENT LIABILITIES			
Contract liabilities		**5,074**	6,540
Lease liabilities	*10(b)*	**26,227**	103
Bank borrowings		**1,122,362**	1,034,598
Deferred tax liabilities		**41,700**	33,167
		1,195,363	1,074,408
NET ASSETS		**3,041,050**	2,950,707
CAPITAL AND RESERVES			
Share capital	*16*	**11,782**	11,782
Reserves		**1,961,611**	1,923,076
Equity attributable to owners of the Company		**1,973,393**	1,934,858
Non-controlling interests		**1,067,657**	1,015,849
		3,041,050	2,950,707

NOTES

FOR THE YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

Wuling Motors Holdings Limited (the "**Company**") is a public limited company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate parent is Wuling (Hong Kong) Holdings Limited ("**Wuling HK**") and its ultimate parent is Guangxi Automobile Holdings Limited (廣西汽車集團有限公司) ("**Guangxi Automobile**").

The Company acts as an investment holding company and its subsidiaries (collectively referred to as the "**Group**") are engaged in the manufacturing and trading of vehicles' power supply systems, automotive components and accessories and commercial vehicles assembly, trading of steels, and provision of water and power supply.

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

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity and going concern of the Group in light of the Group's financial situation where current assets and current liabilities are basically balanced (as at 31 December 2023: current liabilities exceeded its current assets by approximately RMB477 million). The directors of the Company are of the opinion that, after due and careful enquiry taking into account the continuous financial support provided from Guangxi Automobile, which is a state-controlled company established in the PRC with the State-owned Assets Supervision and Administration Commission of the People's Government of Guangxi Zhuang Autonomous Region (廣西壯族自治區人民政府國有資產監督管理委員會) and having a long standing reputation in the automobile industry in the PRC, and the financial resources available to the Group, including internally generated funds, the available banking facilities for issuance of bills payable and bank borrowings and assets available to pledge for obtaining further banking facilities, the Group has, in the absence of unforeseeable circumstances, sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future.

Accordingly, the directors of the Company believe that it is appropriate to prepare the consolidated financial statements on a going concern basis without including any adjustments that would be required should the Group fail to continue as a going concern.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")* and amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures — Supplier finance arrangements*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The amended HKFRs do not have a material impact on the Group's consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue

	Notes	2024 RMB'000	2023 RMB'000
Types of goods and services			
Sales of engines and related parts and other power supply products	*(a)*	**1,737,084**	2,479,958
Sales of automotive components and accessories	*(b)*	**4,771,393**	5,246,576
Sales of specialized vehicles (including new energy vehicles)	*(c)*	**718,758**	1,838,271
Trading of steels	*(b)*	**572,851**	764,260
Provision of water and power supply	*(b)*	**116,609**	118,959
Revenue from contracts with customers within scope of HKFRS 15		**7,916,695**	10,448,024
Revenue from gross rental income		**32,744**	35,909
		7,949,439	10,483,933
Timing of revenue recognition			
A point in time		**7,800,086**	10,329,065
Over time		**149,353**	154,868
Total		**7,949,439**	10,483,933
Geographical markets			
Mainland China		**7,824,205**	10,323,953
Others		**125,234**	159,980
Total		**7,949,439**	10,483,933

Notes:

(a) These revenue has been classified as revenue under the vehicles' power supply systems segment in the segment information.

(b) These revenue has been classified as revenue under automotive components and other industrial services segment in the segment information.

(c) These revenue has been classified as revenue under the commercial vehicles assembly segment in the segment information.

Segment Information

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organized. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

- Vehicles' power supply systems — Manufacture and sale of engines and engine related parts and other power supply products
- Automotive components and other industrial services — Manufacture and sale of automotive components and accessories, trading of steels, and provision of water and power supply services
- Commercial vehicles assembly — Manufacture and sale of specialized vehicles (including new energy vehicles)
- Others — Property investment and others

Segment revenues and results

The measure used for reporting segment profit or loss is "adjusted EBIT" i.e. "adjusted earnings before interest and taxes", where "interest" is regarded as finance income/costs. To arrive at adjusted EBIT, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as bank interest income, net exchange gain (loss), share of results of associates and joint ventures, fair value change of financial instruments at FVTPL, and other head office or corporate administration costs.

The following is an analysis of the Group's revenue and results from reportable and operating segments:

For the year ended 31 December 2024

	Vehicles' power supply systems *RMB'000*	Automotive components and other industrial services *RMB'000*	Commercial vehicles assembly *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Consolidated *RMB'000*
Revenue from external customers	**1,737,084**	**5,460,853**	**718,758**	**32,744**	**–**	**7,949,439**
Inter-segment revenue	**38,782**	**92,562**	**3,370**	**–**	**(134,714)**	**–**
Total	**1,775,866**	**5,553,415**	**722,128**	**32,744**	**(134,714)**	**7,949,439**
Segment profit (loss) (adjusted EBIT)	**(32,018)**	**153,934**	**75,919**	**32,097**		**229,932**
Bank interest income						**117,761**
Net exchange loss						**(257)**
Central administrative costs						**(62,692)**
Net gain on disposal of investment in an associate						**6,690**
Net gain on disposal of investment in a joint venture						**11,547**
Share of results of associates						**(63,140)**
Share of results of joint ventures						**(3,508)**
Finance costs						**(115,997)**
Profit before taxation						**120,336**

For the year ended 31 December 2023

	Vehicles' power supply systems *RMB'000*	Automotive components and other industrial services *RMB'000*	Commercial vehicles assembly *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Consolidated *RMB'000*
Revenue from external customers	2,479,958	6,129,795	1,838,271	35,909	–	10,483,933
Inter-segment revenue	18,719	101,117	6,392	–	(126,228)	–
Total	2,498,677	6,230,912	1,844,663	35,909	(126,228)	10,483,933
Segment profit (adjusted EBIT)	25,686	91,444	62,782	27,972		207,884
Bank interest income						105,784
Change in fair value of financial assets at FVTPL						2,819
Net exchange loss						(1,087)
Central administrative costs						(32,249)
Share of results of associates						(82,066)
Share of results of joint ventures						(3,116)
Finance costs						(120,508)
Profit before taxation						77,461

The accounting policies of the operating segments are the same as the Group's accounting policies.

5. OTHER INCOME/OTHER GAINS AND LOSSES

(a) Details of other income are as follows:

	2024	2023
	RMB'000	*RMB'000*
Bank interest income	**117,761**	105,784
Government grants *(note i)*	**135,835**	32,843
Sales of scrap materials, parts and others	**20,057**	39,696
Machinery and other property rental income *(note ii)*	**2,880**	1,819
Service income on repairs and maintenance	**1,124**	7,458
Income on use of technology knowhow	**1,466**	1,466
Income from the transfer of patents	**–**	10,258
Others	**5,501**	15,083
	284,624	214,407

Notes:

i. Government grants mainly represent various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognized.

ii. Machinery and other property rental income are fixed lease payments.

(b) Details of other gains and losses are as follows:

	2024	2023
	RMB'000	*RMB'000*
Impairment loss on property, plant and equipment	**(32,000)**	–
Net exchange loss	**(257)**	(1,087)
Fair value change of financial assets at FVTPL	**–**	2,819
Loss on disposal of property, plant and equipment	**(2,218)**	(883)
Decrease in fair value of investment properties	**(15,285)**	(6,144)
Debt forgiveness	**–**	10,353
Others	**4,958**	37
	(44,802)	5,095

6. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Tax expense represents:		
Current tax		
PRC Corporate Income Tax ("**CIT**") and income taxes of other tax jurisdictions	**2,717**	7,181
Withholding tax on dividend distribution	**1,420**	–
Over provision in prior years	**(2,151)**	(1,571)
	1,986	5,610
Deferred tax		
Origination and reversal of temporary differences	**7,105**	2,395
	9,091	8,005

The PRC

In accordance with the relevant PRC CIT laws, implementation regulations and guidance notes, certain subsidiaries in Mainland China are entitled to tax concessions whereby the profits of the subsidiaries are taxed at a preferential income tax rate. Liuzhou Wuling Liuji Motors Company Limited ("**Liuji Motors**") and Wuling Liuji Foundry Company Limited ("**Liuji Foundry**") are approved as enterprises that satisfied as a High-New Technology Enterprises and entitled the preferential tax rate of 15% in 2024, 2025 and 2026. Liuzhou Zhuotong Motors Industrial Co., Ltd. ("**Liuzhou Zhuotong**") and Chongqing Zhuotong Motors Industrial Co., Ltd. ("**Chongqing Zhuotong**") were applicable to the tax concession of the Western Development in PRC and entitled the preferential tax rate of 15% in 2024. Taxation of the Group's other subsidiaries in Mainland China are calculated using the applicable income tax rates of 25%.

The PRC CIT Law also requires withholding tax of 5% or 10% upon distribution of profits by the PRC subsidiaries since 1 January 2008 to its overseas (including Hong Kong) shareholders.

During the year, deferred tax liability of RMB3,306,000 (2023: RMB3,787,000) has been provided in respect of the undistributed earnings of the Group's PRC subsidiaries and charged to profit or loss accordingly.

Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for taxation in Indonesia has been made as the subsidiaries in this jurisdiction does not have any assessable profit for both years.

Taxation for subsidiary in other tax jurisdictions amounting to RMB2,653,000 (2023: RMB5,041,000) was charged at the appropriate current rates under the relevant taxation rulings.

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2024	2023
	RMB'000	*RMB'000*
(a) Finance costs		
Interests on:		
— Bank borrowings	**66,978**	62,386
— Advances drawn on bills receivable *(note i)*	**48,189**	55,636
— Lease liabilities	**830**	2,486
	115,997	120,508

	2024	2023
	RMB'000	*RMB'000*
(b) Staff costs		
Salaries, wages and other benefits	**636,156**	665,723
Contributions to defined contribution retirement plans	**78,369**	85,685
Equity-settled share-based payment credit	**(9,276)**	(456)
	705,249	750,952

	2024	2023
	RMB'000	*RMB'000*
(c) Other items		
Depreciation charges:		
— Property, plant and equipment for own use	**405,830**	359,756
— Right-of-use assets	**39,526**	50,442
	445,356	410,198
Impairment losses on property, plant and machinery	**32,000**	–
(Reversal of write-down) write-down of inventories, net	**(27,725)**	5,056
Auditor's remuneration — audit services	**2,166**	2,166
Cost of inventories *(note ii)*	**6,987,864**	9,341,009

Notes:

i. During the year ended 31 December 2024, nil interest (2023: RMB1,843,000) was paid to Guangxi Automobile in respect of bills discounted to Guangxi Automobile.

ii. Cost of inventories includes RMB560,230,000 (2023: RMB551,908,000) relating to staff costs and depreciation expenses, which amount was also included in the respective total amounts disclosed separately above.

8. DIVIDEND

	2024	2023
	RMB'000	*RMB'000*
Dividends recognized as distribution during the year:		
2023 Final dividend of HKD0.5 cent (2023: 2022 final dividend of HKD0.3 cent) per share	**15,051**	9,176

Subsequent to the end of the reporting period, a final dividend of HKD0.5 cent per share amounting to approximately HKD16,491,000 (or equivalent to RMB15,228,000) in respect of the year ended 31 December 2024 has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB50,621,000 (2023: RMB23,477,000) and the weighted average of 3,298,161,000 ordinary shares (2023: 3,298,161,000 shares) in issue during the year, calculated as follows:

	2024	2023
	'000	*'000*
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January and 31 December	**3,298,161**	3,298,161

(b) Diluted earnings per share

There were no dilutive potential ordinary shares during the year ended 31 December 2024 and 2023, and therefore, diluted earnings per share is the same as the basic earnings per share.

10. INVESTMENT PROPERTIES, RIGHT-OF-USE ASSETS, LEASE LIABILITIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Investment properties

During the year ended 31 December 2024, certain investment properties amounting to RMB7,285,000 have been transferred from property, plant and equipment and right-of-use assets because their use have changed as evidenced by end of owner-occupation (year ended 31 December 2023: certain investment properties amounting to RMB3,672,000 have been transferred to property, plant and equipment and right-of-use assets).

During the year ended 31 December 2024, the revaluation surplus resulting from the change from property, plant and equipment and right-of-use asset to investment properties amounting to RMB9,520,000 (year ended 31 December 2023: RMB4,245,000) has been recognised in other comprehensive income.

The valuations of investment properties carried at fair value were updated at 31 December 2024 by the Group's independent valuer using the same valuation techniques as were used by this valuer when carrying out the December 2023 valuations. As a result of the update, a net loss of RMB15,285,000 (year ended 31 December 2024: RMB6,144,000) has been recognised in profit or loss for the year in respect of investment properties.

There is no disposal of investment properties for the years ended 31 December 2023 and 2024.

(b) Right-of-use assets and lease liabilities

During the year ended 31 December 2024, the Group entered into new lease agreements for the use of leasehold lands, office, production facilities and warehouse properties for 1 to 5 years. The Group is required to make fixed payments. The Group recognized additions to right-of-use assets of RMB56,626,000 (year ended 31 December 2023: RMB7,234,000) and the corresponding lease liabilities of RMB56,626,000 (year ended 31 December 2023: RMB7,234,000) during the current year.

At 31 December 2024, the Group's carrying amounts of right-of-use assets are RMB237,732,000 (year ended 31 December 2023: RMB224,074,000) and lease liabilities under current liabilities and non-current liabilities are RMB29,660,000 (year ended 31 December 2023: RMB57,183,000) and RMB26,227,000 (year ended 31 December 2023: RMB103,000), respectively.

(c) Acquisitions and disposals of owned assets

During the year ended 31 December 2024, the Group acquired items of property, plant and equipment with a cost of RMB190,142,000 (year ended 31 December 2023: RMB276,721,000). Items of property, plant and equipment with a net book value of RMB44,950,000 were disposed of during the year ended 31 December 2024 (year ended 31 December 2023: RMB29,510,000), resulting in a loss on disposal of RMB2,218,000 (year ended 31 December 2023: loss on disposal of RMB883,000).

11. INTERESTS IN ASSOCIATES, INTERESTS IN JOINT VENTURES, EQUITY INSTRUMENT AT FVTOCI

(a) On 30 November 2022, the Company and Wuling Industrial completed the acquisition of 13.76% and 13.51% interests in Liuzhou Wuling New Energy Motors Company Limited ("**Wuling New Energy**") respectively, through a capital increase agreement, pursuant to which (i) the Company made a cash contribution of RMB305,600,000 to Wuling New Energy and (ii) Wuling Industrial completed the capital contribution of RMB300,000,000 to Wuling New Energy by way of the injection of certain related assets and equipment at value of RMB84,866,000 and a cash contribution of RMB215,134,000. On 28 February 2023 and 31 May 2023, the other shareholders paid up registered capital, which caused dilution of the Group's equity share of Wuling New Energy as of 31 December 2023.

In September 2023, Wuling New Energy proposed a fund raising exercise for a maximum amount of RMB1,000 million, pursuant to which the formal agreement was entered into on 16 January 2024 among Wuling New Energy, the Company, Guangxi Automobile, the other existing shareholders and three third party investors for a capital injection of a total amount of RMB390 million into Wuling New Energy. Amongst which, RMB360 million would be contributed by the three third party investors, whereas, the Company would contribute the remaining RMB30 million, which was subsequently completed on 30 January 2024. The other capital contributions from the three third party investors under this fund raising exercise took place during the year ended 31 December 2024 caused further dilution of the Group's equity share of Wuling New Energy as of 31 December 2024.

(b) On 25 March 2024, the Group sold 40% of its equity in Liuzhou Leadrive Electronic Control Technology Co., Ltd. ("**Liuzhou Leadrive**"). After that, the Group no longer has a material influence on Liuzhou Leadrive.

(c) On 25 November 2024, the Group sold 23.08% of its equity in Qingdao Lanqi Liuji Motors Technology Company Limited ("**Qingdao Lanqi**"). After that, the Group no longer has a joint control or material influence on Qingdao Lanqi.

12. TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables:		
— SAIC-GM-Wuling Automobile Co., Limited ("**SGMW**") *(note a)*	**838,324**	1,460,360
— Guangxi Automobile Group (other than Wuling New Energy) *(note b)*	**12,461**	8,385
— Wuling New Energy *(note d)*	**70,109**	97,465
— Guangxi Weixiang *(note c)*	**4**	–
— Faurecia (Liuzhou) Automotive Seating Co., Limited ("**FL Seating**") *(note d)*	**1,348**	1,508
— Faurecia (Liuzhou) Automotive Interior System Co., Limited ("**FL Interior**") *(note d)*	**20,500**	6,829
— Faurecia (Liuzhou) Emission Control Technologies Co., Limited ("**FL Emission**") *(note d)*	**11,053**	16,165
— Liuzhou Leadrive Electronic Control Technology Co., Ltd. ("**Liuzhou Leadrive**") *(note d)*	**–**	8
— Qingdao Lanqi Liuji Motors Technology Company Limited ("**Qingdao Lanqi**") *(note c)*	**–**	13,833
— Third parties	**1,200,161**	1,233,823
	2,153,960	2,838,376
Less: Allowance for credit losses	**(96,185)**	(100,843)
Subtotal	**2,057,775**	2,737,533
Other receivables *(note e)*	**217,109**	117,582
Less: Allowance for credit losses	**(19,445)**	(6,885)
Subtotal	**197,664**	110,697
Prepayments	**117,463**	62,719
Value-added tax recoverable	**13,320**	15,865
Total trade and other receivables	**2,386,222**	2,926,814

Notes:

(a) Guangxi Automobile has significant influence over SGMW.

(b) Being Guangxi Automobile and its subsidiaries and associates other than the Group and SGMW collectively referred to as the "Guangxi Automobile Group".

(c) Guangxi Weixiang is a joint venture of the Group. Following its disposal during the year ended 31 December 2024, Qingdao Lanqi ceased to be a joint venture, with its corresponding year end balances reclassified under third parties' accounts.

(d) Wuling New Energy, FL Seating, FL Interior and FL Emissions are associates of the Group. Following its disposal during the year ended 31 December 2024, Liuzhou Leadrive ceased to be an associate, with its corresponding year end balances reclassified under third parties' accounts.

(e) Included in other receivables are amount due from Guangxi Automobile of RMB123,160,000 (2023: RMB55,920,000). The amount is rebate compensation for purchasing electric vehicles' spare parts (e.g., automotive battery) from Guangxi Automobile.

Included in the trade and other receivables are trade receivables of RMB2,057,775,000 (2023: RMB2,737,533,000) and an ageing analysis of trade receivables (net of allowance for credit losses), based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**1,981,923**	2,612,208
91–180 days	**55,677**	90,662
181–365 days	**10,577**	20,193
Over 365 days	**9,598**	14,470
	2,057,775	2,737,533

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB199,840,000 (2023: RMB255,968,000) which are past due at the end of the reporting period. Out of the past due balances, RMB24,207,000 (2023: RMB39,554,000) has been past due 90 days or more and is not considered as in default since these balances could be recovered based on the repayment history and the current creditworthiness of these customers. The Group does not hold any collateral over these balances.

13. BILLS RECEIVABLES AND BILLS RECEIVABLE AT FVTOCI

	2024	2023
	RMB'000	*RMB'000*
Bills receivable at FVTOCI *(note i)*:		
— SGMW	**210,441**	153,645
— Guangxi Automobile Group (other than Wuling New Energy)	**7,533**	15,917
— Wuling New Energy	**18,684**	597
— Guangxi Weixiang	**1,986**	–
— FL Seating	**–**	13,124
— Third parties	**250,370**	222,812
	489,014	406,095
Bills receivable discounted with recourse *(note ii)*	**2,444,371**	3,263,321
	2,933,385	3,669,416

Notes:

(i) Bills receivable represent bills received from customers to settle the trade receivables. The bills receivable are mainly bank acceptance bills with a primary maturity period of less than 180 days. The ageing analysis based on the date of receipt of bills from customers is as follow:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**448,148**	339,641
91–180 days	**40,866**	66,454
181–365 days	**–**	–
	489,014	406,095

(ii) The amounts represent bills receivable discounted to banks or Guangxi Automobile with recourse with a primary maturity period of less than 180 days.

The ageing analysis based on the date of receipt of bills from customers is presented as follows:

	2024	2023
	RMB'000	*RMB'000*
0–90 days	**1,380,542**	1,404,202
91–180 days	**1,063,829**	1,859,119
	2,444,371	3,263,321

14. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade and bills payables:		
— SGMW	**81,535**	101,751
— Guangxi Automobile Group	**42,938**	44,805
— FL Seating	**48,015**	40,875
— FL Interior	**45,718**	49,549
— FL Emission	**24,201**	22,778
— Liuzhou Leadrive	**–**	11,235
— Other related companies	**8,587**	11,887
— Third parties	**4,278,148**	5,389,234
Subtotal	**4,529,142**	5,672,114
Value added and other tax payables	**14,612**	38,736
Accrued research and development expenses	**164,000**	148,287
Accrued staff costs	**89,379**	116,512
Deposits received from suppliers	**49,439**	57,586
Other payables	**148,756**	136,122
Total trade and other payables	**4,995,328**	6,169,357

An ageing analysis of trade and bills payables based on the invoice date is as follows:

Trade payables

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**2,171,127**	2,474,464
91 to 180 days	**32,211**	105,269
181 to 365 days	**121,851**	57,051
Over 365 days	**78,206**	120,195
	2,403,395	2,756,979

Bills payable

	2024	2023
	RMB'000	*RMB'000*
0 to 90 days	**911,002**	1,315,487
91 to 180 days	**1,214,745**	1,599,648
	2,125,747	2,915,135

15. PROVISION FOR WARRANTY

	RMB'000
At 1 January 2023	87,152
Additional provision in the year	62,048
Utilization of provision	(43,719)
At 31 December 2023 and at 1 January 2024	**105,481**
Additional provision in the year	**43,704**
Utilization of provision	**(45,519)**
At 31 December 2024	**103,666**

The Group provides warranty of certain periods to its customers on engines and other power supply system products, automotive components and accessories and commercial vehicles, under which any product defects are repaired or replaced. The amount of the provision for the warranty is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

16. SHARE CAPITAL

	Number of shares	Amount
		HKD'000
Authorized:		
Ordinary shares of HKD0.004 each *(Note)*	25,380,350,000	101,521
Balance at 1 January 2023, 31 December 2023 and 31 December 2024		101,521
Issued and fully paid:		
Ordinary shares of HKD0.004 each		
At 1 January 2023, 31 December 2023 and 31 December 2024	3,298,161,332	13,193

	2024	2023
	RMB'000	*RMB'000*
Shown in the consolidated financial statements at the end of the reporting period as	**11,782**	11,782

Note: By the respective ordinary resolutions passed by the shareholders of the Company in the Company's annual general meeting held on 16 June 2022: (i) the 1,521,400,000 authorised but unissued convertible preference shares of par value HK$0.001 each of the Company were consolidated into 380,350,000 consolidated convertible preference shares of par value HK$0.004 each of the Company; and (ii) the 380,350,000 authorised but unissued consolidated convertible preference shares of par value HK$0.004 each of the Company were reclassified as 380,350,000 ordinary shares of par value HK$0.004 each of the Company.

* *for identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

Operation Review — By Key Business Segments

The business performance and evaluation of the Group's three main business segments namely (1) vehicles' power supply systems; (2) automotive components and other industrial services; and (3) commercial vehicles assembly for the year ended 31 December 2024 are detailed below:

Vehicles' Power Supply Systems

Total revenue (based on external sales) of the vehicles' power supply systems division for the year ended 31 December 2024 was RMB1,737,084,000, representing a decrease of 30% as compared to previous year, which was mainly due to a decrease in the customers' orders resulting from the overall compressing business environment towards the conventional petrol light commercial vehicle market segment.

Total number of engines, including the engines applied for the hybrid power supply systems sold by the subsidiaries, primarily Liuzhou Wuling Liuji Motors Company Limited ("**Wuling Liuji**"), for the year was approximately 153,000 units, representing a significant decrease of approximately 38.6% as compared to previous year. During the year, the business volume was mainly contributed by the models of engines such as M20B, and other power supply systems for the fuel engine vehicles, whereas, products attributable to the new energy vehicles experienced gradual growth, however, contribution from which remained small, because of the delays of the launches of the new models by the automobile customers under the relatively tough market situation.

Meanwhile, casting products have been moderately increased in volume. For the year ended 31 December 2024, sales of casting products amounted to approximately 1,178,000 units, representing an increase of over 25% as compared to previous year. The completion of the cylinder head blank production line in 2023 with a capacity of 600,000 units had also laid the foundation for further expansion of the casting products of the division in the future.

Resulting from a decline in business volume and taking into account of an impairment loss of RMB32,000,000 against the division's property, plant and equipment, the division incurred an operating loss of RMB32,018,000 for the year, as compared to an operating profit of RMB25,686,000 in 2023. Facing the prevailing tough and competitive operating environment, the division has been committed to implementing measures to control its operating costs and expenses, in which the loss making situation in the second half of 2024 had been moderately alleviated because of the implementation of these cost control measures.

During the year, sales to SGMW, our core customer in the vehicles' power supply systems division, amounted to RMB695,037,000, representing a significant decrease of approximately 48% as compared to previous year. Amongst which, a significant portion of the revenue was generated from the sales of the M20B high thermal efficiency engine which launched in 2023, whereas, contribution from the new energy vehicle's business of SGMW, which covered the hybrid power supply systems and the electric motor control system and related components, remained small.

Meanwhile, sales to other customers, which comprised mainly sales of the engine sets to Foton Motors, Dongfeng Motor, Chang'an Automobile, JAC Motors and SAIC Maxus etc, and the engine's cylinder components for BYD's tier-one supplier, were decreased to RMB1,042,047,000, and accounted for approximately 60% of the total revenue of this division. Except for the engine's cylinder components which experienced a modest growth in revenue, sales generated from the engine sets to other customers were all registered different extent of decline because of the prevailing tough business environment. Despite this unfavourable situation, continuous launches of the matured and new products, including the new energy products, to other customers enable the division to tap into the incremental market demand in the industry which will benefit its business growth in future.

Facing the imminent shift of the automobile industry in China focusing on new energy vehicles, the division has formulated strategy in positioning itself as a multi-dimensional vehicles' power supply system supplier, which has completed a product layout of "traditional power technology upgrade + new energy power integrated development". This strategy is also closely aligned with the implementation of the "LINXYS Project" as formulated by Guangxi Automobile Holdings Limited ("**Guangxi Automobile**"), our parent company, for the future development of the entire Group during the year. On one hand, the division will continue to develop high efficiency and low emission engines to the traditional fuel engine vehicles' manufacturer. Meanwhile, it would also promote its products, including engines, electric motor control system and related components for the electric vehicles, as well as different types of hybrid model vehicles. According to the "131 Strategy" as implemented under the LINXYS Project, our goal is to become a leading enterprise of small and medium-emission energy-saving hybrid powertrain systems at the national level.

Considering the dynamic business environment and the strengthening of the competitiveness in the market, over the past few years, in implementing the production capacity expansion programmes, special emphasis has been placed by the division on the scalability of the production facilities such that the production and economic efficiency could be maintained in serving the market demands from different types of customers notwithstanding their different range of models and size of orders.

To further expand the product range and to achieve higher technical capability, Wuling Liuji has actively undertaken development projects for the production of the upgraded high efficiency and low emission engine products in serving different needs of the customers, especially targeting at the passenger vehicles as well as the new energy vehicles segment. In addition to the upgrading projects which are implemented for the regulatory compliance policies, enhancement projects for the existing models and the new models are also formulated aiming at expanding our customer bases in the commercial and passenger vehicles segment.

The successful completion of the new generation of H-series ultra-high-efficiency engines, methanol engines and hydrogen internal combustion engines, which facilitated a solid development of the Group's alcohol-hydrogenoil-gas multi-fuel engine platform, was recognized as the first of its kind in China and represented a step forward of the Group in realizing the goal of "Double Carbon". This strategic development essentially enabled the division to have a competitive edge in the industry for future business development.

Following the scale operation of the newly developed high thermal efficiency Atkinson engines of the division since last year, the market position of Wuling Liuji has been further strengthened by having a comprehensive range of products ranging from 1.0L to 2.0L with the essential vertical integration elements, i.e., the in-house manufacturing of the foundry components.

In terms of products, the M20B high thermal efficiency engine developed by Wuling Liuji has been successfully launched to the market in 2023 and has become the main stream products of the division in applying on a number of vehicle models of the customers. The division is confident this business momentum from the M20B will continue in the coming years and will contribute to the business performance of the division.

Meanwhile, the high-efficiency and cost effective HEV hybrid assembly units developed by Wuling Liuji has continued to contribute to the business of the division through gradually gaining orders from customers. The launch of the HEV hybrid assembly units marked the successful breakthrough of the division from a traditional fuel engine manufacturer to a multi-dimensional vehicles' power system supplier extending to the business segment of different types of new energy vehicle. Through the construction of the core development capabilities of the two electric motors (motors and motor controllers), the division has laid out a comprehensive plan for power integration products which covers the platform of HEV, PHEV, REEV, and BEV technical routes, from which advanced, efficient, and fuel-efficient hybrid drive system products would be developed in accordance with the needs of the automobile manufacturers. As compared with traditional fuel engine vehicles with same level of capacity, based on initial study, fuel consumption of the division's HEV hybrid solution could have a saving of more than 30%.

The market launch of the division's HEV hybrid solution has also enable the Group to be recognized as the first supplier in the Guangxi region having the hybrid power integration capabilities empowered by its the three main components' production and technical capability, i.e., engine, electric motor, and motor controller system. Indeed, the division inaugurated the launch of its HEV hybrid solution with an encouraging reception from the market.

The engine intelligent manufacturing plant has also passed the national new generation of information technology and manufacturing industry integration development pilot demonstration certification, in which only three operators were required in the cylinder block cylinder head workshop, where its processing accuracy and the degree of intelligence is remarkable.

Driven by the business opportunities from the development trend of the “New Four Modernization” in the automotive industry, coupled with the long standing business position in the vehicle’s engines segment, the Group is confident that the profitability of the vehicles’ power supply systems division would be continued in the coming years.

Going forward, the division will continue to focus on the research and development, as well as the marketing programmes of its existing and new products, including the products applicable for the new energy vehicles, so as to maintain its competitiveness in this market segment. The Group believes adhering to the objectives as set out in the “131 Strategy” under the LINXYS Project, the increasing applications of the successfully launched higher-end models to the vehicles (including new energy vehicles) of SGMW, Wuling New Energy and other customers, and the introduction of other new higher-end products will enhance the business potential and the technical capability of the division, which will contribute to its profitability in the coming years.

Automotive Components And Other Industrial Services

Total revenue (based on external sales) of the automotive components and other industrial services division for the year ended 31 December 2024 was RMB5,460,853,000, representing a decrease of approximately 10.9% as compared to previous year, which was mainly due to a decrease in the customers’ orders as affected by the market cyclical factors and the tough business environment during the year.

Despite the abovementioned decrease in the business volume, benefit from an increase in sale volume of high-margin products and government grants income, the division’s profitability have been significantly bolstered. An operating profit of RMB153,934,000 was recorded for the year, representing an increase of approximately 68.3% as compared to previous year.

The automotive components and other industrial services division, undertaken by our subsidiary, Liuzhou Wuling Motors Industrial Company Limited (“**Wuling Industrial**”), continued to be the key supplier for supplying a majority portion of the key automotive components to SGMW, including their EV models. During the year, sales to SGMW through the Group or our associated companies, comprised the range of products including the brake and the chassis assembly components, car axles, body parts, interior and exterior trims such as, seat sets, cockpits, bumpers, etc, experienced a moderate decrease as a result of the market cyclical factors and the general unfavourable business condition, but continued to contribute to a significant portion of the revenue of the division and the associated companies.

For further expansion and diversification, the division continued to undertake various business expansion programmes in promoting its components products with a continuous expanding range of categories to other customers such as Great Wall Motors, Chery Automobile, Beiqi Foton Motors, Geely Automobile, Changan Automobile, Dongfeng Sokon and BYD, etc, which were progressing satisfactorily during the year and were able to register a mild increase as compared to previous year. During the year under review, sales from other to expanding customers were stably maintained at approximately RMB2,300,000,000 and accounted for approximately 42% of the total revenue of the division, which portion showing a moderate increase as compared to previous year.

To further extending its products and services to other customers, the Group has also recently set up production facilities in Jingmen, in the Hubei province. The production facilities in Jingmen was primarily set up for supplying automotive components to Great Wall Motors had been progressing satisfactorily. In 2024 the production facilities in Jingmen achieved revenue of RMB729,173,000, increased by more than double on a year-on-year basis, in which more than 50% of the products sold were supplied for the new energy models, which is expected to have promising business potential.

Meanwhile, sales to Wuling New Energy, an associate of the Group which engages in the manufacturing of new energy vehicles business also gradually increased to RMB110,455,000 for the year, which products covered various automotive components for the production of the electric logistic vehicles.

With our long and established industry experiences, the automotive components and other industrial services division of the Group has accumulated the comparative advantage of a leading mechanical automotive manufacturer in Guangxi and even the entire southwest China. Our capability in supplying a wide range of products provides a one-stop shop services to the customers, whereas, the scalability of its production facilities also ensures the particular needs of our customers can be properly taken care of. At the same time, the division has continued to develop in the direction of high-end, intelligent and green, and actively explored the market, and has achieved stage-by-stage results.

With respect to products, through continuous efforts of market diversification, the division actively made unremitting efforts in optimizing our product structure, firmly grasped the opportunities from the trend of automobile transformation to the new energy era, and put utmost effort on the added value of products to open up the market of high-end car models and new energy car models. The market responses from these diversification projects were all encouraging. After the production and sales of over one and a half million units of micro-electric car axles on a cumulative basis since its launch, the division further consolidated and improved its comparative advantages in the aspects of a full dimension of both traditional fuel axles and electric car axles. Being the supplier of subframe, rear torsion beam and speed reducer products of SGMW's star product, Wuling Splendid, the division has also swiftly realised the steps of commercialisation through supplying its coaxial electric drive axle to Changan, Ruichi, JAC and other automobile enterprises. Meanwhile, we also obtained orders of electric car axles from the leading car manufacturers such as Chery and Geely for their mainstream new energy commercial vehicles. With respect to product development, while the drum EPB has been nationalized, the in-line control product has also made a breakthrough from 0 to 1, which product has been installed in Foton and is expected to achieve break through to mass production. The front and rear axles for pickup trucks and non-load-bearing SUVs have also been mass-produced in mainstream markets such as Great Wall and Foton. For instances, the multilink silent high-end integral fuel axle was firstly used in high-end pickup trucks such as the Tank and Poer series.

The division is also committed to promptly congregating the new momentum driven by new industries, new formats and new models to support and spearhead our business goal of high quality development. The first domestic production line for the thermal inflation molding of ultra-high-strength steel tubes was completed in 2020, which filled the gaps in the domestic market and solve the industry's "stranglehold" technological problems. In 2024, the second production line was completed and utilized to continue to serving orders from Great Wall Motors and BYD. In terms of processing, the division has the ability to develop the whole process of fully independent spiral bevel gears, recognised as a first tier standard in the country and commenced to supply the spiral bevel gear products for BYD. The Group's manufacturing quality has reached the higher standards of the international automobile enterprises, while at the same time enjoying an advantage from the cost perspective.

Over the past few years, the Group has taken strategic steps in the PRC to transform from a single production point operation in Liuzhou into an interprovincial production group with facilities in Guangxi, Shandong, Chongqing and Hubei in accomplishing a synchronized expansion and improvement in terms of corporate size and core competitiveness, meanwhile establishing a sound foundation for the Group's business growth and sustainable development in the future, at the back of the division's current consolidated annual production capacity of more than 2 million units of automotive components.

Meanwhile, the Group's overseas production plants in Indonesia was affected by certain delays in the customers' orders which resulted in a lower business volume for the year under review. Nevertheless, the Group is optimistic that being the fourth largest population country in the world and in consideration of its recent economic development, there is great business potential for the automobile industry in Indonesia and considers that the business performance of the Group's automotive components businesses in Indonesia will be gradually improved in the near future.

The production plant of the Group in India, which has a smaller scale of operation and targeted for the automotive component business of a renowned PRC car manufacturer also continued to maintain its profitability in the year 2024.

Looking ahead, in line with the implementation of the "131 Strategy" under the LINXYS Project, the division will aim to become leading enterprise of light-miniature drive axles and automobile frames at national level, through actively support the transformation of medium- and high-end vehicles and new energy vehicles, meanwhile, continue to optimize the customer structure, comprehensively consider the early deployment of the entire life cycle of the target customer products from the whole series of car models, pay close attention to technological research and development, improve product quality, and actively open up markets, to ensure the transformation and upgrading in business product so as to achieving a substantiable and healthy development.

Commercial Vehicles Assembly

Total revenue (based on external sales) of the commercial vehicles assembly division undertaken by Wuling Industrial for the year ended 31 December 2024 was RMB718,758,000, representing a significant decrease of approximately 60.9% as compared to previous year. Despite a substantial decline in the business volume, due to the effective implementation of certain restructure exercise and cost control measures, the division was managed to maintain a set of profitable results for the year, from which an operating profit of RMB75,919,000 was recorded for the year.

Completion of the restructure exercise of the business of the Group's new energy vehicles in late 2022, where the assembly business of the Group's new energy vehicles were transferred to the Group's associate, Wuling New Energy, and the Group's repositioning strategy on the refitted vehicles since the second half of 2023, where the Group began to focus more on the modification services had also resulted in a direct reduction of the business volume of the division.

Apart from this, during the year, business volume of the commercial vehicles assembly division has been adversely affected by the general unfavourable economic environment at which the market demand was severely weak.

During the year under review, Wuling Industrial sold approximately 7,300 different models of vehicles. Amongst which, the sale volume of refitted vehicles and other types of vehicles (primarily sightseeing vehicles) decreased to approximately 4,200 vehicles and 3,100 vehicles respectively. The decline in respect of the refitted vehicles was mainly due to the Group's repositioning strategy as below mentioned, whereas, the weak market demand resulting from the general unfavourable economic environment had also given rise to certain adverse impact during the year.

Following the completion of the restructure exercise of the business of the Group's new energy vehicles in late 2022, where part of the production facilities were transferred to Wuling New Energy and the faster than expected application of the new energy vehicles in the market, the division had been cautiously considering its business strategy on the fuel engine refitted vehicles, which in turn slow down further investments in this particular business segment. As a result, the business volume of the refitted vehicles was severely affected during the year. The Group is in the process of formulating appropriate business strategy for the refitted vehicles, which may involve possible collaboration with other business divisions and the customers.

The commercial vehicles assembly division operates comprehensive car assembly lines which covers the production processes of welding, painting and assembly. The division has capability to produce various types of specially designed vehicles which serves the different needs of market, such as sightseeing bus, golf cart, container wagon, refrigerator vehicle, police car, fire truck and electric logistic vehicle, etc. The customers range from government departments, public institutes, private enterprises with different size of operation to private individuals. Products are mainly sold in the domestic market covering the major provinces and cities across the country and the overseas markets. Among them, sight-seeing cars, golf carts and other products are targeted at exporting to Southeast Asia, the United States, Canada, Australia, Egypt, Africa and other markets.

The capability of the commercial vehicles assembly division is originated from the long standing industry experiences of Wuling, where a strong comprehensive capability of "multi-mix, small batch and specialization" has been established. In fact, the models designed and developed by the Group are mainly branded as "Wuling", which is a benchmark of quality products and services in the market in itself. Over the years, the Group had unremittingly developed new models of vehicles for commercial use with improved quality and added features in response to market demands and enhanced regulatory standards, such as the hot-selling side-open container wagon (stall car), electric logistic vehicle and the refrigerated truck. The Group is confident that the launches of these new models will be beneficial to the business performance of the division. Currently, production facilities of the commercial vehicles assembly division of the Group are situated in Liuzhou, Qingdao and Chongqing.

Indeed, prior to the below mentioned restructure exercise, the division had made significant breakthroughs in the new energy vehicle market segment. Furthermore, it had also gradually built up a nationwide distribution network across the country. More remarkably, the division had also extended its products to overseas markets including Japan and the United States, which are renowned as the leaders in the global automobile industry. Sale volume of these orders, where the division continued to act as the principal sale agent, are expected to be gradually increased in coming years. These solid business platforms and experiences in the new energy vehicles segment essentially paved the way for the restructure exercise of the business of the Group's new energy vehicles which took place in 2022 as below mentioned.

In order to accelerate the expansion of the Group's new energy vehicle business in meeting the increasing business opportunities arisen from the new energy vehicle market segment, the Group, including Company and Wuling Industrial formed a joint venture with Guangxi Automobile and established Wuling New Energy which started operational in 2022 for pursuing the businesses focusing on the research and development, manufacture and sale of new energy vehicles, including the highly competitive electric vehicles, plug-in hybrid new energy vehicles and other new energy smart travel products. The setup of Wuling New Energy enables the Group, including the Company and Wuling Industrial and Guangxi Automobile, to have an advance and sizable production facilities for implementing the business strategies and programmes arising from the new energy vehicles segment, and at the same time benefits the operation of Wuling Industrial and its subsidiaries serving as the strategic key suppliers to Wuling New Energy by supplying automotive components and parts for its production of new energy vehicles.

The Group believes that operation of Wuling New Energy will not only provide a solid foundation to Wuling New Energy for implementing future business projects in the new energy vehicles segment, but also provide Wuling Industrial with the opportunity to further streamline its existing operation in the commercial vehicles assembly division which will be conducive to business performance of the division in future.

For the year under review, Wuling New Energy operated as an associate of the Group and the Group's principal business entity in the new energy vehicles business, of which its business performance for the year ended 31 December 2024 is described in the section "Performance of Joint Ventures and Associates" below.

The Group would strive to maintain a prominent market share of our existing popular models, and at the same time, explore the opportunity for future growth potential to further improving the profitability of the commercial vehicles assembly division, through implementation of active business strategies in promoting new models, including different models of non-road vehicles and other special purpose vehicles, focusing on market segmentation and specialization, enhancing the ability of professional customization of unique products, developing high-value products, intensifying market development efforts, and solidly increasing sales volume, on the back of the favourable government policy and the specific needs in the market. The Group considers vertical integration of the key automotive components in its commercial vehicles assembly business will provide a solid back up and enhance our competitive strength in the industry. Indeed, the launches of various upgraded models of non-road vehicles, such as sight-seeing buses and golf carts had all received satisfactory reception from the overseas markets which have tremendous business potential.

Going forward, the commercial vehicles assembly division will continue to undertake research and development projects for new product, technical and capability improvement with the support from the other divisions, namely the vehicles' power supply systems division and the automotive components and other industrial services division. Whilst the Group envisages the challenges facing this division, it remains confident in the long term business potential of this business segment in view of our long standing competitive strength in the industry.

Performance of Joint Ventures and Associates

Wuling New Energy

Wuling New Energy which was owned as to 13.36% by the Company and 12.34% by Wuling Industrial as at 31 December 2024 and was formed with Guangxi Automobile in 2022 for pursuing the new energy vehicles business, including the highly competitive electric vehicles, plug-in hybrid new energy vehicles and other new energy smart travel products.

During the year under review, Wuling New Energy achieved total revenue of RMB1,016,937,000 (2023: RMB785,475,000), representing an increase of approximately 29.5% as compared to previous year. Due to its initial stage of operation, Wuling New Energy incurred a net operating loss for the year. However, resulting from the growth in revenue, net operating loss was slightly decreased, in which loss attributable to the Group for the year amounted to approximately RMB67,404,000 (2023: RMB79,774,000).

During the year under review, due to the intense competition in the PRC market which had driven down the selling prices of the electric vehicles, the dramatic fluctuations in domestic insurance policies, and the uncertainties associated from the import regulations of the target overseas markets which caused Wuling New Energy to be more cautious in implementing aggressive business, Wuling New Energy sold approximately 14,200 new energy vehicles, representing an increase of 41% as compared to previous year (10,000). The increase in sale volume was mainly attributable to the launch of new products in domestic market, i.e., the new energy medium duty container truck “LINXYS Golden Van” series and the new energy small truck “LINXYS Golden Small Truck” series targeting for the domestic market.

For the year ended 31 December 2024, Wuling New Energy has developed and launched a number of new models on the basis of the original series of models, which received satisfactory market feedbacks. From which, a comprehensive range of products covering mini-van, mini-truck, small van, small truck, small container truck, and small shelf truck. By end of February 2024, the new energy medium-sized product “LINXYS Golden Van” long range version was launched and achieved sales volume of over 1,000 units for consecutive months; in December 2024, the “LINXYS Golden Van” passenger car version was formally launched, which once again boosted the sales volume. In November 2024, Wuling New Energy launched the new energy small truck product “LINXYS Golden Small Truck”, which was among the top 3 models in this market segment in the first month of its launch. At the back of this foundation, Wuling New Energy will continue to launch new models with high competitiveness, at the same time continuously improving the product range for each market segment, from which the sale is expected to rapidly increase.

Meanwhile, Wuling New Energy is also expanding into overseas markets. For the year ended 31 December 2024, products originated from the 050 platform left-hand drive micro-logistics trucks were exported to Korea, whereas, the first batch of G050P pure electric small trucks were also delivered to Japan. On the basis of maintaining the existing overseas markets, i.e. Japan, the United States, Korea and Europe, Wuling New Energy will further develop markets in Southeast Asia and South America to promote business growth.

For further strengthening the financial position and the collaboration with potential business partners, in January 2024, Wuling New Energy completed a fund raising exercise amounted to RMB390 million in total. Amongst which, RMB360 million was contributed by three prominent third party investors including 許昌市金投控股集團有限公司 (Xuchang Jintou Holding Group Co., Ltd.*), 廣西睿菱創業投資合夥企業（有限合夥）(Guangxi Ruiling Venture Capital Partnership (Limited Partnership)*) and 廣西廣投孵化投資基金合夥企業（有限合夥）(Guangxi Guangtou Incubation Investment Fund Partnership (Limited Partnership)*) whereas, the Company contributed the remaining RMB30 million. The Company considered the participation of these investors in Wuling New Energy will be beneficial to its long term business development. Completion of the Company's capital contribution was subsequently took place on 30 January 2024, whereas, completion of the other capital contributions from the three third party investors under this fund raising exercise during the year ended 31 December 2024 caused further dilution of the Group's equity share of Wuling New Energy as of 31 December 2024.

Looking ahead, under the guidance of the "131 Strategy" under the LINXYS Project, Wuling New Energy will proceed to further expand the product map of "LINXYS Vehicles". Through responding quickly to the needs of sub-markets, and continuously supplying quality passenger and cargo solutions to the domestic and overseas markets, Wuling New Energy in confident to build up the "LINXYS" brand of new energy vehicles to become a market leading enterprise of light and mini new energy commercial vehicles.

Other Material Joint Ventures and Associates

Guangxi Weixiang Machinery Company Limited ("**Guangxi Weixiang**"), which is owned as to 50% by Wuling Industrial and formed with Guangxi Liugong Machinery Company Limited for developing and pursuing the businesses of engineering machinery and other industrial vehicles products maintained its profitability during the year by registering a total revenue of RMB589,465,000, representing a year-on-year increase of 16.8% as compared to previous year, due to a moderate increase in the business volume during the year. Under a relatively stable business environment, net operating profit was increased by 60.3% to RMB13,450,000 (as compared to the net operating profit of RMB8,393,000 as achieved in previous year), in which profit of RMB6,725,000 was attributable to the Group.

Faurecia (Liuzhou) Automobile Seating Co., Limited ("**FL Seating**") which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of car seat products in the PRC continued its business recovery stage during the year. During the year under review, benefited from the continuous launches of new models by the customers, FL Seating registered total revenue of RMB584,609,000, representing a significant increase of 112% as compared to previous year. However, due to the pricing pressure from the customer and taking into account of the impairment losses of RMB20,867,000 on the assets (including the impairment loss of RMB9,146,000 due to a fire accident), an net operating loss of RMB30,655,000 was incurred for the year (as compared to the net operating loss of RMB36,489,000 for previous year), in which loss of RMB15,328,000 was attributable to the Group. As a special remark, the abovementioned fire accident which caused certain stoppages in the operation of FL Seating had been immediately resolved without creating any long term disturbances to the business activities of FL Seating.

Faurecia (Liuzhou) Automobile Interior System Co., Limited ("**FL Interior**"), which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of automotive interior system, its related parts and accessories, including cockpit, instrument panel, auxiliary instrument panel, door trim panel, acoustics and soft trim in the PRC maintained its business momentum and profitability during the year. During the year under review, FL Interior registered total revenue of RMB324,670,000, representing a moderate decrease of 12.2% as compared to previous year. Despite a drop in the total revenue, due to the continuous increase in the higher profit margin products, net operating profit slightly improved to RMB42,994,000, (as compared to the net operating profit of RMB42,368,000 for previous year) for the year under review, where profit of RMB21,497,000 was attributable to the Group.

Faurecia (Liuzhou) Emission Control Technologies Co., Limited ("**FL Emission**"), which is owned as to 50% each by Wuling Industrial and Faurecia Group for pursuing the business of automotive emissions control system products and related parts and components in the PRC experienced a tough business environment during the year in which total revenue was reduced by 22.9% to RMB296,333,000. Accordingly, net operating profit for the year was substantially decreased to RMB400,000 (as compared to the net operating profit of RMB4,798,000 for previous year), in which profit of RMB200,000 was attributable to the Group.

FINANCIAL REVIEW

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Group's total revenue for the year ended 31 December 2024 was RMB7,949,439,000, representing a decrease of 24.2% as compared to previous year. The decrease was mainly attributable to a decrease in the business volume of the vehicles' power supply system division due to a reduction in the customers' orders resulting from the corresponding unfavourable economic environment during the year and the Group's repositioning strategy on the refitted vehicles since the second half of 2023, which had resulted in a direct reduction of the total revenue of the commercial vehicle assembly division. Meanwhile, a decrease in the business volume from SGMW as affected by the market cyclical factors and the tough business environment during the year, had offset the positive effect from the steady growth of business from certain new customers, such as Great Wall Motors and Chery Automobile, etc. Such that the business revenue of the automotive components and other industrial services division also registered a decline in revenue in this year.

Due to a decline in the business volume during the year, gross profits of the Group for the year ended 31 December 2024 was also decreased but at a lesser extent as compared to the decrease in revenue. It was mainly attributable to the benefits from an improvement in the gross profit margin resulting from the increasing sales of higher margin products in the automotive components and other industrial services division and certain compensation rebate in relation to the EV's components. Gross profit for the year under review was RMB860,097,000, representing a decrease of 17.1%

compared to the previous year. In this regard, gross profit margin achieved by the Group was improved to 10.8% for the year as compared to the 9.9% as recorded in previous year.

Benefited from an increase in government grants income of the automotive components and other industrial services division and the decreases in the share of losses from the associates, including Wuling New Energy, which losses incurred was slightly decreased as compared to previous year, the Group reported a net profit of RMB111,245,000 for the year ended 31 December 2024, representing an increase of 60.2% as compared to previous year. Hence, the Group also reported profit attributable to the owners of the Company of RMB50,621,000, representing an increase of 115.6% as compared to previous year.

Accordingly, basic earnings per share for the year ended 31 December 2024 was RMB1.53 cent, which marked a continuous improvement as compared to the basic earnings per share of RMB0.71 cent as recorded in previous year, whereas, fully diluted earnings per share for the year under review was RMB1.53 cent as there is no dilution effect for the year.

Other income comprised primarily bank interest income, government grants and subsidies, sales of scrap materials and parts and other sundry income was in aggregate RMB284,624,000 for the year ended 31 December 2024, representing an increase of 32.7% as compared to previous year, which was mainly due to increases in government grants income and bank interest income.

Other gains and losses amounted to a net aggregate loss of RMB44,802,000 for the year ended 31 December 2024, which comprised primarily the combined results of decrease in fair value of investment properties amounting to RMB15,285,000, and impairment loss on property, plant and equipment amounting to RMB32,000,000.

Share of results of associates reported a total net loss of RMB63,140,000 for the year ended 31 December 2024 representing primarily combined results of the net operating profits attributable to FL Interior and FL Emission and the net operating losses incurred by Wuling New Energy and FL Seating. During the year, despite a decline in the business volume from SGMW, thanked to an increase in the business volume of higher margin products, FL Interior and FL Emission were all managed to maintain their respective business volume and deliver set of profitable results for the year. Meanwhile, Wuling New Energy was loss making due to it still being in the early stage of operation and development. However, its loss was slightly reduced because of increase in business volume during the year. Whereas, FL Seating recorded net operating losses due to the pricing pressure from the customer and the impairment losses on the assets, partly attributable to the fire accident took place in the year. During the year, the Group sold 40% of its equity in Liuzhou Leadrive Electronic Control Technology Co., Ltd. ("**Liuzhou Leadrive**") which was continuously operated at losses due to the unfavourable market condition.

Share of results of joint ventures reported an aggregate net loss of RMB3,508,000 for the year ended 31 December 2024. Due to the severe adverse market situation, Liuzhou AAM Automotive Transmission System Co., Ltd ("**AAM JV**") and Qingdao Lanqi Liuji Motors Technology Company Limited ("**Qingdao Lanqi**"), continued to register operating losses during the year. In view of this, the partners of AAM JV and Qingdao Lanqi had resolved during the year to either cease operation or implement certain restructure plans to these joint ventures for the benefit of the stakeholders. In this regard, the equity interests in Qingdao Lanqi was disposed in November 2024, whereas AAM JV was dissolved subsequent to the year end date. Meanwhile, the business of Guangxi Weixiang continued to be solid and was able to remain profitable during the year.

Selling and distribution costs of the Group were in aggregate RMB80,873,000 for the year ended 31 December 2024, representing a decrease of 42.1% as compared to previous year. In addition to the decline in business volume, the recording of warranty expenses as the Group's cost of sales with effect from this year had also resulted in a decrease on the selling and distribution costs.

General and administrative expenses of the Group comprised primarily salary and allowances, various insurance expenses, rental expenses and other administrative expenses were in aggregate RMB429,816,000 for the year ended 31 December 2024, representing a decrease of 13.7% as compared to previous year. Facing the tough and highly competitive business environment, the Group would continue to implement various cost control measures in containing the general and administrative expenses of the Group aiming at alleviating the pricing pressure from the market and in promoting competitiveness and efficiency.

Research and development expenses for the year ended 31 December 2024 amounted to RMB282,187,000, representing a modest decrease of 7.9% as compared to previous year, which was in line with the business level of the Group. The Group will continue to prudently carry out appropriate research and development projects in accordance with the strategic plan in furthering its future business opportunities.

Finance costs for the year ended 31 December 2024 amounted to RMB115,997,000, which was slightly decreased by 3.7% as compared to previous year resulting from a decrease in the finance costs associated with the bank borrowing of the Group for the year under review.

Consolidated Statement of Financial Position

As at 31 December 2024, total assets and total liabilities of the Group stood at RMB13,768,916,000 and RMB10,727,866,000 respectively.

Non-current assets amounted to RMB4,162,391,000 comprised mainly property, plant and equipment, right-of-use assets, investment properties, right-of-use assets, interests in joint ventures and associates, etc. The total carrying values of the property, plant and equipment had taken into account of the total capital expenditure of RMB190,142,000 arising from the acquisition of property, plant and equipment, depreciation charge of RMB445,356,000, a decrease in fair value of investment properties of RMB15,285,000 and an impairment loss on property, plant and equipment of RMB32,000,000 incurred for the year under review.

Current assets amounted to RMB9,606,525,000 comprised mainly inventories of RMB672,466,000, trade and other receivables of RMB2,386,222,000, bills receivables and bills receivable at fair value through other comprehensive income of RMB2,933,385,000 (inclusive of bills receivable discounted with recourse but not yet matured amounting to RMB2,444,371,000), pledged bank deposits of RMB453,143,000 and bank balances and cash of RMB3,160,344,000. Amount due from SGMW, a related company and a key customer in the, vehicles' power supply system and automotive components businesses of the Group amounted to RMB838,324,000 was recorded as trade and other receivables in the consolidated statement of financial position. These receivables balances were subject to normal commercial settlement terms.

Current liabilities amounted to RMB9,532,503,000, comprised mainly trade and other payables of RMB4,995,328,000, contract liabilities of RMB97,255,000, lease liabilities of RMB29,660,000, provision for warranty of RMB103,666,000, bank borrowings — due within one year of RMB1,857,777,000 and advances drawn on bills receivable discounted with recourse of RMB2,448,817,000. The corresponding bills receivable discounted with recourse to these advances amounting to RMB2,444,371,000 were recorded as bills receivable at fair value through other comprehensive income as at 31 December 2024, which would be offset against upon maturity.

The Group recorded net current assets of RMB74,022,000 as at 31 December 2024, as compared to the net current liabilities of RMB477,071,000 as at 31 December 2023. The raising of certain long term bank borrowings during the year helped to improve the liquidity position of the Group.

Non-current liabilities amounted to RMB1,195,363,000 comprised mainly bank borrowings of RMB1,122,362,000, lease liabilities of RMB26,227,000, contract liabilities of RMB5,074,000 and deferred tax liability of RMB41,700,000.

Liquidity and Capital Structure

During the year ended 31 December 2024, the operating and investing activities of the Group were mainly satisfied by the financing activities of the Group through the drawdown of bank borrowings and the bills receivable discounted.

The Group considers the application of alternative means of financing, i.e. bank borrowings and bill discounting activities in terms of the respective finance cost consideration. Besides, to contain finance costs of the Group, Guangxi Automobile provided sources of finance to the Group through bill discounting activities at the most favourable terms offered in the market.

As at 31 December 2024, total bank borrowings amounted to RMB2,980,139,000 which was increased by approximately 29% as compared to the position as at 31 December 2023, in which RMB1,122,362,000 were having repayment terms of more than one year, which was moderately increased as compared to previous year. Meanwhile, the outstanding advances drawn on bills receivable discounted with recourse decreased by approximately 25.2% to RMB2,448,817,000. The corresponding bills receivable discounted with recourse to these advances amounting to RMB2,444,371,000 were recorded as bills receivable at fair value through other comprehensive income which would be offset against upon maturity. During the year under review, the Group discounted total bills receivables amounting to approximately RMB6,100,000,000 mainly to the financial institutions for providing the necessary fundings for its daily operations.

As at 31 December 2024, the cash at bank balances (together with the pledged bank deposits) were increased by approximately 14.9% to RMB3,613,487,000 as compared to the position as at 31 December 2023.

Total equity attributable to the shareholders of the Company, comprised primarily the share premium, statutory reserve, contributed surplus, capital reserve, other reserves and retained profits, amounted to RMB1,973,393,000 as at 31 December 2024. Net asset value per share was approximately RMB59.8 cents as at 31 December 2024.

In view of the dynamic business environment and the risks and exposures associated with the automobile industry, the Group had been and would cautiously implement its strategic and business plans such that the financial position in terms of the net assets of the Group and attributable to the owners of the Company, the amount of net current liabilities and the gearing ratio of the Group would be sustained in a financial healthy position. The Directors consider the current financial position of the Group will enable it to withstand the risks and challenges under the current market environment.

In this regard, the Group will continue to closely monitor the liquidity and financial position of the Group, as well as the market environment (including the unprecedented adverse issues) and the financial market from time to time in order to arrive at an appropriate financial strategy for the Group.

DIVIDEND

The Directors recommended the payment of a final dividend of HKD0.5 cent per Share for the year ended 31 December 2024 (the "**Final Dividend**") (2023: HKD0.5 cent) to the Shareholders whose names shall be on the register of members of the Company on Friday, 27 June 2025, amounting to approximately HKD16,491,000 (equivalent to approximately RMB15,228,000). Subject to the approval by the Shareholders in the forthcoming annual general meeting of the Company to be held on Thursday, 12 June 2025 (i.e., the 2025 AGM), dividend warrants of the Final Dividend will be dispatched to Shareholders on or before 31 July 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025 (both dates inclusive), for the purpose of determining the Shareholders' eligibility to attend and vote at the 2025 AGM and during which period no transfer of the Shares will be effected. In order to qualify for attendance of the 2025 AGM, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 6 June 2025. The time and venue of the 2025 AGM will be advised in due course.

The register of members of the Company will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025 (both days inclusive), for the purpose of determining the Shareholders' entitlement to the Final Dividend and during which period no transfer of the Shares will be effected. In order to qualify for the Final Dividend, all completed transfer forms accompanied by the relevant share certificates of the Company must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Monday, 23 June 2025.

PURCHASE, REDEMPTION AND SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2024 (2023: Nil).

CORPORATE GOVERNANCE PRACTICES

The Company recognizes the importance of good corporate governance to the Company's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Company's needs. The Company confirmed that during the year ended 31 December 2024, it has fully complied with all the code provisions on Corporate Governance Practices Code contained in Appendix 14 of the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange which sets out the principles of good corporate governance and the code provisions.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "**Own Code**") on terms no less exacting than the Model Code for Securities Transaction by Directors of Listed Issuers, as amended from time to time, (the "**Model Code**") as set out in appendix 10 to the Listing Rules.

Specific enquiry has been made to all of the directors of the Company. All of them have confirmed that they have complied with the Own Code and the Model Code throughout the year.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**"), comprising the three independent non-executive Directors of the Company, namely Mr. Ye Xiang (the Chairman), Mr. Wang Yuben and Mr. Xu Jinli, and non-executive Director, Mr Li Zheng, has been established in accordance with the requirements of the Listing Rules, for the purpose of reviewing and providing, inter alia, supervision over the Group's financial reporting system, risk management and internal control system. The terms of reference of the Audit Committee are disclosed on the websites of the Company and Hong Kong Exchange and Clearing Limited respectively.

The Audit Committee reviewed the accounting principles and practices adopted by the Company for the year ended 31 December 2024 before such documents were tabled for the Board's review and approval, discussed matters relating to audit, internal control system and financial reporting processes and reviewed this preliminary results announcement for the year ended 31 December 2024 of the Group. The Audit Committee is of the opinion that such documents complied with all the applicable accounting standards, the Listing Rules and other applicable legal requirements and that adequate disclosures have been made, if required.

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

ANNUAL REPORT

The annual report of the Company for the year ended 31 December 2024 containing all information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of Hong Kong Exchange and Clearing Limited at www.hkexnews.hk and the Company at www.wuling.com.hk in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Yuan Zhijun (Chairman), Mr. Wei Mingfeng and Ms. Zhu Fengyan as executive Directors, Mr. Li Zheng as non-executive Director and Mr. Ye Xiang, Mr. Wang Yuben and Mr. Xu Jinli as independent non-executive Directors.

On behalf of the Board
Yuan Zhijun
Chairman

Hong Kong, 25 March 2025